F&C Commercial Property Trust Limited

Placing and Offer for Subscription and Introduction

Investment Manager:
F&C Asset Management plc

A copy of this document, which comprises a prospectus relating to F&C Commercial Property Trust Limited (the "Company"), prepared in accordance with the listing rules of the UK Listing Authority made under section 74 of the Financial Services and Markets Act 2000, has been delivered to the Registrar of Companies in England and Wales for registration in accordance with section 83 of that Act.

Application has been made for consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989, for the circulation of this document insofar as it relates to the issue of the Ordinary Shares and to the raising of money by the issue of such shares and the raising of debt finance. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council accept any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard thereto.

The Directors of the Company, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document includes particulars given in compliance with the Listing Rules of the Channel Islands Stock Exchange for the purposes of giving information with regard to the Company. The Directors, whose names appear on page 3 of this document, accept full responsibility for the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Neither the admission of the Ordinary Shares to the Official List nor the approval of this document pursuant to the listing requirements of the Channel Islands Stock Exchange shall constitute a warranty or representation by the Channel Islands Stock Exchange as to the competence of the service providers to, or any other party connected with, the Company, the adequacy and accuracy of the information contained in this document or the suitability of the Company for investment or for any other purpose.

F&C COMMERCIAL PROPERTY TRUST LIMITED

(an investment company incorporated in Guernsey with registration number 42737)

PLACING AND OFFER FOR SUBSCRIPTION

of 270 million ordinary shares of 90p each at 100p per share

and

INTRODUCTION

of 465 million ordinary shares of 90p each

Sponsored by
DICKSON MINTO W.S.

Investment Manager
F&C ASSET MANAGEMENT PLC

Application has been made to the UK Listing Authority and the Channel Islands Stock Exchange for all of the Ordinary Shares (issued and to be issued) to be admitted to the Official Lists and to the London Stock Exchange and the Channel Islands Stock Exchange for those shares to be admitted to trading on the London Stock Exchange's market for listed securities and on the Channel Islands Stock Exchange. It is expected that such admissions will become effective and that dealings in the New Ordinary Shares and the FP Shares will commence on 18 and 24 March 2005 respectively.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of New Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the Ordinary Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of such Act.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the sponsor and solicitor to the Company. Dickson Minto W.S. is not acting for any other person in connection with the Placing and Offer and Introduction, will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dickson Minto W.S. and is not advising any other person in relation to any transaction contemplated in or by this document.

Ozannes Securities Limited, as sponsor to the listing on the Channel Islands Stock Exchange, is acting for the Company and for no one else in connection with the Placing and Offer and Introduction and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Ozannes Securities Limited or for affording advice in relation to the contents of this document or any other matters referred to herein.

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the Issue other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before investing in the Company. Potential investors should also consider the Risk Factors relating to the Company set out on pages 5 and 6 of this document.

9 March 2005

Contents

Expected Timetable

Offer for Subscription opens	9 March 2005
Latest time and date for applications under the Offer*	3.00 p.m. on 14 March 2005
Latest time and date for commitments under the Placing*	3.00 p.m. on 15 March 2005
Admission and dealings in the New Ordinary Shares commence	18 March 2005
Crediting of CREST accounts in respect of the New Ordinary Shares	18 March 2005
Acquisition of the Initial Property Portfolio and issue of the FP Shares	23 March 2005
Admission of the FP Shares and dealings in such shares commence	24 March 2005
Share certificates in respect of the Ordinary Shares despatched (if applicable)	by 1 April 2005

* A maximum of 270 million New Ordinary Shares are available under the Placing and Offer for Subscription. In the event that commitments under the Placing and valid applications under the Offer reach 270 million New Ordinary Shares, no further commitments or applications will be accepted and the Placing and Offer will be closed.

Directors, Investment Manager and Advisers

Directors	Peter Niven *(Chairman)* Donald Lindsay Adamson John Holmes Stephen Brian William Sweetland Nicholas John Mann Tostevin all non-executive and of Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL
Investment Manager	F&C Asset Management plc 80 George Street Edinburgh EH2 3BU
Marketing Adviser	G&N Collective Funds Services Limited 14 Alva Street Edinburgh EH2 4QG
Sponsor and Solicitor	Dickson Minto W.S. 16 Charlotte Square Edinburgh EH2 4DF
Administrator, Secretary and Registrar	Guernsey International Fund Managers Limited Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL
Channel Islands Sponsor	Ozannes Securities Limited 1 Le Marchant Street St. Peter Port Guernsey GY1 4HP
Guernsey Legal Adviser	Ozannes 1 Le Marchant Street St. Peter Port Guernsey GY1 4HP
Auditors	KPMG Channel Islands Limited 2 Grange Place The Grange St. Peter Port Guernsey GY1 4LD
Tax Adviser	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ
Property Valuer	DTZ Debenham Tie Leung Limited One Curzon Street London W1A 5PZ
Principal Banker	Lloyds TSB Bank plc 25 Gresham Street London EC2V 7HN
Receiving Agent and UK Transfer Agent	Computershare Investor Services PLC PO Box 859 The Pavilions Bridgwater Road Bristol BS99 1XZ

Key Features

These key features are derived from, and should be read in conjunction with, the full text of this document.

- F&C Commercial Property Trust Limited is a new, closed-ended, Guernsey registered investment company whose assets will be managed by F&C Asset Management plc. The Company will invest in UK commercial property which will be held through the Property Subsidiary and any other property holding subsidiaries established by the Board.
- The Company's investment objective is to provide Ordinary Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.
- The Group has agreed with the Vendors, each a wholly owned subsidiary of Friends Provident, to acquire a portfolio of properties and indirect property funds, the Initial Property Portfolio. There are 30 properties in the Initial Property Portfolio with an aggregate market value as at 2 February 2005 of £791 million and two Indirect Property Funds with an aggregate net asset value as at 31 December 2004 of £134 million. Following the acquisition of the Initial Property Portfolio, the Group will be fully invested.
- The Company's share capital structure will consist solely of Ordinary Shares. As the Company is intended as a long term investment vehicle, it will not have a termination date but will have a continuation vote at its annual general meeting held in 2015 and five yearly thereafter.
- The Company will have the power to borrow an amount of up to 50 per cent. of the Group's gross assets as defined in its Articles. It is the present intention of the Directors that the Company will put in place long term borrowings, through the issue of the Bonds, equal to approximately 25 per cent. of the Group's Total Assets following drawdown and that the aggregate of all borrowings of the Company will be limited to 35 per cent. of the Group's Total Assets at the time of drawdown.
- The Directors expect that, on the basis of the Assumptions and in the absence of unforeseen circumstances, the Company will pay gross dividends totalling 4.75p* per Ordinary Share in respect of the period from 18 March 2005 to 31 December 2005, representing an equivalent annual gross dividend of 6.0 per cent.* on the Issue Price over that period.
- On the basis of the Assumptions, the net asset value per Ordinary Share immediately following Admission and the acquisition of the Initial Property Portfolio will be 97p.
- It is estimated that the market value of the Property Portfolio will need to increase by an average rate of approximately one per cent. per annum (on the basis of the Assumptions) for the net asset value of an Ordinary Share to equal the Issue Price on the tenth anniversary of Admission.
- F&C is one of the ten largest property managers in the UK, with property funds under management in excess of £6 billion. F&C manages property investments on behalf of a wide range of clients.
- A maximum of 270 million New Ordinary Shares are available under the Placing and Offer for Subscription.

The principal Risk Factors relating to the Company are as follows:

- **tenant defaults or voids in the Property Portfolio reducing the income of the Company;**
- **a downturn in the property market, a weakening of rental yields or tenant defaults or voids in the Property Portfolio adversely affecting the market value of the Property Portfolio;**
- **changes in the levels of, and reliefs from, taxation adversely affecting the financial prospects of the Group and/or the returns payable to Shareholders; and**
- **borrowings increasing the effect of falls in the income from, and market value of, the Property Portfolio.**

Ordinary Shares are only suitable for investors:

- **who understand the potential risks of loss to the value of their investment and that there may be limited liquidity in the underlying investments of the Group;**
- **for whom an investment in the Ordinary Shares constitutes part of a diversified investment portfolio; and**
- **who fully understand and are willing to assume the risks involved in investing in the Company.**

Full details of the Risk Factors relating to the Ordinary Shares and the Company are set out on the next two pages of this document.

* These forecasts relate to dividends only, are not profit forecasts and are based on the Assumptions.

Risk Factors

Investors should consider the following risk factors in relation to the Company and the Ordinary Shares.

General

The market value of, and the income derived from, the Ordinary Shares can fluctuate. There is no guarantee that the market value of the Ordinary Shares will fully reflect their underlying net asset value. Investors may not get back the full value of their investment.

The market value of the Ordinary Shares, as well as being affected by their net asset value, also takes into account their dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from its underlying net asset value.

If under Guernsey law there were to be a change to the basis on which dividends could be paid by Guernsey companies, this could have a negative effect on the Company's ability to pay dividends.

The Company does not have a fixed winding up date and, therefore, unless Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market.

There can be no guarantee that the investment objectives of the Group will be met.

Dividend growth on the Ordinary Shares will depend principally on growth in rental income received from the underlying assets.

There is no guarantee that the expected dividend in respect of the period to 31 December 2005 or any other periods will be paid.

The rating assigned to the Bonds is expressly not an opinion on the suitability of the Ordinary Shares as an investment.

The Assumptions are assumptions only and may or may not be realised.

Taxation

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Any change in the Company's or the Property Subsidiary's tax status or in taxation legislation in Guernsey or the United Kingdom or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company or the Property Subsidiary or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post tax returns to Shareholders. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

In the event that a person or persons, other than Friends Provident and its associates, obtains or arranges to obtain more than 50 per cent. of the issued shares of the Company within three years of the acquisition of the Initial Property Portfolio or the transfer of the Properties does not qualify for acquisition relief under stamp duty land tax, the Company will be liable to pay additional stamp duty land tax on the acquisition of the Properties of approximately £21 million.

Under current United Kingdom tax law, UK letting agents are required to withhold amounts on account of, or to account to the United Kingdom Inland Revenue for, United Kingdom income tax in respect of rent collected on behalf of a landlord which has a normal place of abode outside the United Kingdom, unless a direction (a "Direction") has been given by the United Kingdom Inland Revenue confirming that payments to such a landlord may be made without withholding or deduction for or on account of United Kingdom income tax and that no such obligation to account to the United Kingdom Inland Revenue arises. The Company and the Property Subsidiary will apply for a Direction immediately after they acquire the Properties.

In the event that a Direction in respect of the Company or the Property Subsidiary is not given or is withdrawn, the UK letting agent will be required to make payment to the United Kingdom Inland Revenue on account of the United Kingdom income tax liability of the Company or the Property Subsidiary.

Gearing

Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Ordinary Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Property Portfolio falls for whatever reason, including tenant defaults, the use of borrowings will increase the impact of such fall on the net revenue of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders. Prospective investors should also be aware that the Group will be entitled to invest up to 15 per cent. of its Total Assets in funds which themselves invest in UK commercial property and may be entitled to incur borrowings. The Indirect Property Funds, being The IPIF Feeder Unit Trust and The Mall Unit Trust, currently have gearing of 18.5 per cent. and 45.7 per cent. respectively of their gross assets. By way of illustration only, a 5 per cent. or 10 per cent. fall in the value of the Property Portfolio (including the gross assets represented by the holdings in the Indirect Property Funds) could be expected to reduce the net asset value of the Ordinary Shares, calculated on the basis of the Assumptions, by 7.0 per cent. and 14.0 per cent.

respectively as a result of the gearing described above. If the value of the Property Portfolio fell by more than 77.1 per cent., the net asset value of an Ordinary Share would be nil (based on the Assumptions and the value of the Initial Property Portfolio and the proposed level of borrowings immediately following Admission).

Amounts owing to the Bond Issuer and the Bondholders and related expenses will rank ahead of Shareholders' entitlements and, accordingly, if the Company's assets do not grow at a rate sufficient to cover the costs of establishing and operating the Company, Shareholders may not recover the amount initially invested. In the event that the Company is unable to repay the amounts due in respect of Bonds when due, as the Bonds are to be secured by way of charges over the assets of the Group, the Bond Issuer and the Bondholders will rank ahead of the Shareholders.

Furthermore, should any fall in the underlying asset value or expected revenues result in the Company breaching the financial covenants contained in the Facility Agreement, the Company may be required to repay such borrowings in whole or in part together with any attendant costs including prepayment costs. On the basis of the Assumptions, if the gross assets of the Group should fall by 37.9 per cent., the loan to value covenant contained in the Facility Agreement would be breached and, if the rental income of the Group should fall by 52.7 per cent., the income covenant contained in the Facility Agreement would be breached. If the Company is required to repay all or part of its borrowings, it may be required to sell assets comprised in the Property Portfolio at less than their market value or at a time and in circumstances where the realisation proceeds are reduced because of a downturn in property values generally or because there is limited time to market the property. If any of the covenants contained in the Facility Agreement have been breached, or if certain other tests, including regarding net income of the Company, are not met, the Bond Issuer may also be able to prevent the Company from paying dividends. Under the terms of the security granted by the Company and the Property Subsidiary in favour of the trustee of the security granted in relation to the Facility Agreement for the benefit of the Bond Issuer, on an event of default under the Facility Agreement, such trustee will be entitled to appoint a receiver over the assets of the Group. The appointment of a receiver and the enforcement of such security may materially adversely affect the value of the Shareholder's investment.

There is no certainty that the Company will be able to refinance the amounts due in respect of the Bonds on their expected repayment in 2015, either at all or on acceptable terms. At some point the Company is likely to need to incur further borrowings to fund its cash flow requirements, including the payment of dividends. There is no certainty that such borrowing will be made available to the Company, either at all or on acceptable terms.

Property and property related assets

The value of property and property-related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the valuations of the properties will reflect the actual sale price even where such sales occur shortly after the relevant valuation date.

The performance of the Company would be adversely affected by a downturn in the property market in terms of market value or a weakening of rental yields. In the event of default by a tenant or during any other void period, the Company will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, rates and marketing costs.

Any future property market recession could materially adversely affect the market value of properties. Returns from an investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the development or redevelopment and management of the property, as well as upon changes in its market value.

The Company's ability to pay dividends will be dependent upon its rental income. Rental income and the market value of properties are generally affected by overall conditions in the relevant local economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. Changes in gross domestic product may also impact employment levels, which in turn may impact the demand for premises.

Rent reviews may not be at the then Estimated Net Annual Rent.

Both rental income and market values may also be affected by other factors specific to the commercial property market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

Any change to the laws and regulations relating to the UK commercial property market may have an adverse effect on the market value of the Property Portfolio and/or the rental income of the Property Portfolio. The UK Government is consulting on restricting the ability of parties to agree to upwards only rent reviews in commercial property leases. If such a change is introduced, there may be an adverse effect on the rental income of the Property Portfolio and the market value of the Property Portfolio.

The Indirect Property Funds are managed and advised by persons other than the Investment Manager. Neither the Company nor the Property Subsidiary is a party to the agreements appointing such managers and advisers. The value of the Indirect Property Funds, and the income from them, will depend, in part, on the performance of such managers and advisers and the costs and expenses incurred by the Indirect Property Funds.

Investments in property and certain property related assets, such as the Indirect Property Funds, are relatively illiquid and more difficult to realise than equities or bonds.

Definitions

The following definitions apply throughout this document unless the context otherwise requires:

"Acquisition Agreements"	the conditional agreements to acquire the Properties and the Indirect Property Funds between the Company, the Property Subsidiary and the Vendors, summaries of which are set out in Section B of Part 3 of this document
"Administration and Secretarial Agreement"	the administration and secretarial agreement between the Company, the Property Subsidiary and the Administrator, a summary of which is set out in paragraph 5.2 of Part 5 of this document
"Administrator"	Guernsey International Fund Managers Limited
"Admission"	admission of the New Ordinary Shares, issued and to be issued pursuant to the Issue, to the Official Lists of the UK Listing Authority and the Channel Islands Stock Exchange and to trading on the London Stock Exchange
"Articles"	the Articles of Association of the Company, a summary of which is set out in paragraph 3 of Part 5 of this document
"Assumptions"	the principal bases and assumptions set out on page 18 of this document, except in Part 4 of this document where "Assumption" shall have the meaning defined in that Part 4
"Board" or "Directors"	the directors of the Company
"Bondholders"	holders of the Bonds
"Bond Issuer"	F&C Commercial Property Finance Limited
"Bonds"	£230 million secured bonds 2017
"Channel Islands Stock Exchange"	The Channel Islands Stock Exchange, LBG
"Company"	F&C Commercial Property Trust Limited
"Estimated Net Annual Rent"	is based on the current rental value of a property: (i) ignoring any special receipts or deductions arising from the property; (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent; and (iv) where a property, or part of it, is let at the date of valuation, the rental value reflects the terms of the lease and, where a property, or part of it, is vacant at the date of valuation, the rental value reflects the rent the valuer considers would be obtainable on an open market letting as at the valuation date
"Facility Agreement"	the facility agreement between the Company and the Bond Issuer, a summary of which is set out in paragraph 5.9 of Part 5 of this document, and related security documentation
"FP Shares"	the 465 million Ordinary Shares issued to the Vendors as part consideration for the acquisition of the Initial Property Portfolio, as more fully described in Section B of Part 3 of this document
"FPWP"	Friends Provident Life and Pensions Limited, a wholly owned subsidiary of Friends Provident
"Friends Provident"	Friends Provident plc
"G&N"	G&N Collective Funds Services Limited
"Group"	the Company, the Property Subsidiary and any other subsidiary undertakings of the Company or the Property Subsidiary from time to time
"Indirect Property Funds"	the holdings of units in The IPIF Feeder Unit Trust and The Mall Unit Trust comprised in the Initial Property Portfolio, as more fully described in Part 3 of this document
"Initial Gross Assets"	the aggregate value of the New Ordinary Shares issued under the Issue and the FP Shares at the Issue Price and the nominal amount of the Bonds

"Initial Property Portfolio"	the portfolio of property and indirect property funds to be acquired by the Group from the Vendors immediately following Admission, as more fully described in Part 3 of this document
"Introduction"	the admission of the FP Shares to the Official Lists of the UK Listing Authority and the Channel Islands Stock Exchange and to trading on the London Stock Exchange by way of an introduction
"Investment Management Agreement"	the investment management agreement between the Company, the Property Subsidiary and the Investment Manager, a summary of which is set out in paragraph 5.1 of Part 5 of this document
"Investment Manager" or "F&C"	F&C Asset Management plc
"IPD"	Investment Property Databank Limited
"IPD TICCS"	the IPD Tenant Income Credit Rating and Covenant Strength Survey
"ISA"	Individual Savings Account for the purposes of section 333 (1A) of the Income and Corporation Taxes Act 1988
"Issue"	the issue of Ordinary Shares pursuant to the Placing and Offer
"Issue Costs"	the costs, expenses and commissions payable in respect of the Issue, the issue of the Bonds and the acquisition of the Initial Property Portfolio (including stamp duty land tax)
"Issue Price"	100p per Ordinary Share
"Law"	The Companies (Guernsey) Laws, 1994 to 1996
"LCH"	London Capital Holdings Limited, a wholly owned subsidiary of Friends Provident
"London Stock Exchange"	London Stock Exchange plc
"Market Value"	the aggregate of the market value of the Properties comprised in the Initial Property Portfolio as at 2 February 2005, as set out in the Valuer's report in Part 4 of this document, and the published net asset values of the Indirect Property Funds as at 31 December 2004 or the aggregate market value of part only of the Initial Property Portfolio, as the context requires
"New Ordinary Shares"	Ordinary Shares issued pursuant to the Issue
"Offer" or "Offer for Subscription"	the offer for subscription of Ordinary Shares at the Issue Price, as described in this document
"Official List"	the Official List of the UK Listing Authority and/or the Official List of the Channel Islands Stock Exchange, as the context requires
"Ordinary Shareholders" or "Shareholders"	holders of the Ordinary Shares
"Ordinary Shares"	ordinary shares of 90p each in the capital of the Company
"Placing"	the placing of Ordinary Shares at the Issue Price, as described in this document
"Properties"	the properties comprised in the Initial Property Portfolio (other than the Indirect Property Funds), as more fully described in Part 3 of this document, or any of them as the context requires
"Property Portfolio"	the direct and indirect property assets of the Group from time to time
"Property Subsidiary"	F&C Commercial Property Holdings Limited
"Prospectus"	this document
"Receiving Agent"	Computershare Investor Services PLC
"SCP"	St. Christopher's Place Limited, a wholly owned subsidiary of Friends Provident
"Total Assets"	the aggregate value of the assets of the Group less current liabilities of the Group (which shall exclude any proportion of the principal amounts borrowed for investment treated as current liabilities and any liability of an intra-group nature)
"Trust Deed"	the trust deed to be entered into constituting the Bonds
"Trustee"	The Bank of New York, the trustee appointed under the Trust Deed
"UKLA" or "UK Listing Authority"	the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"Valuer"	DTZ Debenham Tie Leung Limited
"Vendors"	FPWP, LCH and SCP

Part 1

The Company

Introduction

F&C Commercial Property Trust Limited is a new, closed-ended, Guernsey registered investment company whose assets will be managed by F&C Asset Management plc. The Company will invest in UK commercial property which will be held through the Property Subsidiary and any other property holding subsidiaries established by the Board. The Company will have a single class of shares in issue and will be geared through debt finance. The Company will have an indefinite life.

Investment objective and policy

The Company's investment objective is to provide Ordinary Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

It is intended that the Group will hold a diversified portfolio of freehold and predominantly long leasehold (over 60 years remaining at the time of acquisition) UK commercial properties. The Group intends to invest in income producing investments. The Group will principally invest in three commercial property sectors: office, retail and industrial. The Group will be permitted to invest up to 15 per cent. of its Total Assets in indirect property funds but will not invest in other listed investment companies. The Group will be permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits, gilts and money market funds.

Following the acquisition of the Initial Property Portfolio described below, the Group will be fully invested.

Any material change to the investment policy of the Company may only be made with Shareholders' approval.

The Initial Property Portfolio

The Group has agreed with the Vendors to acquire a portfolio of properties and indirect property funds, the Initial Property Portfolio. There are 30 properties in the Initial Property Portfolio with an average Market Value of approximately £26.4 million. The Initial Property Portfolio also includes two holdings in unit trusts which invest in UK commercial property. The Initial Property Portfolio currently provides a running income return of 6.09 per cent. on its Market Value. The Properties comprised in the Initial Property Portfolio have been ranked 45th out of 133 portfolios in the independent IPD TICCS. The average unexpired lease term of the leases of the Properties (weighted by current gross annual rent) is 10.3 years and all of the rent review provisions in leases of the Properties are upwards only. The Directors believe that the Initial Property Portfolio provides a stable capital base with the potential for both capital and income growth. Further details of the Initial Property Portfolio are set out in Part 3 of this document.

The Initial Property Portfolio will be acquired by the Group immediately following Admission for a consideration made up by the issue of 465 million Ordinary Shares, the discharge of liabilities of FPWP amounting to £315 million and a cash payment of £145,372,000. On the basis of the Issue Price of 100p per share, the aggregate consideration for the acquisition of the Initial Property Portfolio amounts to £925,372,000. The acquisition of the Initial Property Portfolio is subject to the terms more fully described in Section B of Part 3 of this document. The Properties comprised in the Initial Property Portfolio have been externally valued by the Valuer with a market value of £791,425,000 as at 2 February 2005. The valuation report is set out in Part 4 of this document. The published aggregate net asset value of the Indirect Property Funds was £133,947,000 as at 31 December 2004.

Following the acquisition of the Initial Property Portfolio, the Group will be fully invested. It is intended that F&C will actively manage the Property Portfolio in accordance with the investment objective and policy of the Company.

The UK commercial property market

UK commercial property has outperformed UK equities and gilts over the last 1, 3, 5 and 10 years. The total return on UK commercial property over the last ten years was 11.2 per cent. per annum and over the past year was 19.0 per cent.

Over the past 30 years, annualised volatility in the performance of UK commercial property has been less than that of equities and gilts. The lack of correlation of commercial property with other asset classes offers diversification for investors. Commercial property also benefits from a relatively high and stable income stream, with income returns averaging 7.6 per cent. per annum over the past 10 years.

The UK economy is expected to grow by 2.5 per cent. in 2005, which is close to the long term trend for UK economic growth. UK economic growth consensus estimates for 2005-2009 are in the range of 2.4 per cent. to 2.6 per cent. per annum and the Investment Manager is of the view that UK economic growth will remain at or close to long-term trend rates of growth in the medium term. UK base rates are expected to remain below long-term trend rates over the period 2005 to 2009.

The Investment Manager anticipates some slowing in the rate of growth in the retail property sector after strong performance in 2003 and 2004. However, the Investment Manager expects the sector to continue to deliver positive total returns. The Investment Manager anticipates that improving occupier demand and rental growth prospects will encourage growth in the office property sector in 2005 and that the industrial property sector will continue to perform well, especially in areas where land availability is constrained. The Investment Manager is forecasting annualised total returns from the UK commercial property market over the five years from 2005 to 2009 in the range of 7 per cent. to 9 per cent.

The Directors believe that the stable UK economic outlook will underpin positive returns in the UK commercial property sector over the next few years. The Directors further believe that the diversification in the Initial Property Portfolio and the average lease length of the Properties will give the Company income stability over the first financial period and over the medium term.

Capital structure

Share capital and duration

The Company's share capital structure will consist solely of Ordinary Shares. The Company does not have a fixed life. At the annual general meeting of the Company held in 2015, the Directors will propose an ordinary resolution for the continuation of the Company. If the continuation resolution is not passed, the Directors will be obliged to convene an extraordinary general meeting within six months to consider the winding up of the Company or a reconstruction of the Company which offers all Shareholders the opportunity to realise their investment. If the continuation resolution is passed, the Directors will propose a similar resolution at the annual general meeting of the Company five yearly thereafter.

Further issues of Ordinary Shares

The Directors will have authority to allot the authorised but unissued share capital of the Company following Admission. Such authority shall only be exercised at prices which are not less than the published net asset value of the Ordinary Shares.

Borrowings

The Company will have the power under its Articles to borrow an amount up to 50 per cent. of the Group's gross assets as defined in its Articles. It is the present intention of the Directors that such borrowings will be limited to a maximum of 35 per cent. of the Group's Total Assets at the time of drawdown.

The Company proposes to introduce borrowings through the issue of £230,000,000 of secured bonds due 2017. The Bonds will be issued on Admission and will have an aggregate nominal amount equal to approximately 25 per cent. of the Market Value. A special purpose vehicle, F&C Commercial Property Finance Limited, has been incorporated to be the issuer of the Bonds. The Bonds will be listed on the Official List of the UK Listing Authority and admitted to trading on London Stock Exchange's market for listed securities. The Bonds are expected, on issue, to be assigned an "Aaa" rating by Moody's Investors Services Limited. The interest rate on the Bonds will be based on a margin over 10 year UK gilt yields and will be fixed prior to Admission. It is expected that the Bonds will be repaid in full on 30 June 2015 although the final maturity date of the Bonds is 30 June 2017. The Bonds will be secured by means of fixed and floating charges over the assets of the Group. The Bonds will be constituted by the Trust Deed between the Bond Issuer and the Trustee.

All of the issued share capital of the Bond Issuer will be held on trust for a charity. Immediately following Admission, the proceeds of the Bonds will be lent by the Bond Issuer to the Company pursuant to the Facility Agreement. The interest rate payable under the Facility Agreement is the same as the interest rate payable on the Bonds. The amounts lent under the Facility Agreement shall be repayable on 30 June 2015.

Further details of the Facility Agreement are set out in paragraph 5.9 of Part 5 of this document.

Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Ordinary Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Property Portfolio falls for whatever reason, including tenant defaults or any inability to relet property, the use of borrowings will increase the impact of such fall on the net revenue of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders. Prospective investors should also be aware that the Group will be entitled to invest up to 15 per cent. of its Total Assets in funds which themselves invest in UK commercial property and may be entitled to incur borrowings. The Indirect Property Funds, being The IPIF Feeder Unit Trust and The Mall Unit Trust, currently have gearing of 18.5 per cent. and 45.7 per cent. respectively of their gross assets. It is the present intention of the Directors that the borrowings of the Group, including the gearing of indirect holdings, will not exceed 40 per cent. of the Group's Total Assets, including the gross assets represented by the indirect holdings. By way of illustration only, a 5 per cent. or 10 per cent. fall in the value of the Property Portfolio (including the gross assets represented by the holdings in the Indirect Property Funds) could be expected to reduce the net asset value of the Ordinary Shares, calculated on the basis of the Assumptions, by 7.0 per cent. and 14.0 per cent. respectively as a result of the gearing described above. If the value of the Property Portfolio fell by more than 77.1 per cent., the net asset value of an Ordinary Share would be nil (based on the Assumptions and the value of the Initial Property Portfolio and the proposed level of borrowings immediately following Admission).

Dividends

Following the first financial period of the Company to 31 December 2005, dividends on the Ordinary Shares are expected to be paid in equal instalments quarterly in respect of each financial year in July, October, January and April. All dividends will be paid as interim dividends.

The Directors expect that, on the basis of the Assumptions and in the absence of unforeseen circumstances, the Company will pay gross dividends totalling 4.75p* per Ordinary Share in respect of the period from 18 March 2005 to 31 December 2005, representing an equivalent annual gross dividend of 6.0 per cent.* on the Issue Price over that period. No UK tax credits will be attached to dividends paid to Ordinary Shareholders. For further information on the tax treatment of an investment in the Company, please refer to the paragraphs headed "Taxation" on pages 15 to 17 of this document.

It is expected that the dividends in respect of this period will be paid as follows:

Ex-dividend	Payment month	Gross amount per Ordinary Share*
June 2005	July 2005	0.75p
September 2005	October 2005	1.0p
December 2005	January 2006	1.5p
March 2006	April 2006	1.5p
		TOTAL 4.75p

* These forecasts relate to dividends only, are not profit forecasts and are based on the Assumptions.

Net asset value

On the basis of the Assumptions, the net asset value per Ordinary Share immediately following Admission and the acquisition of the Initial Property Portfolio will be 97p. It is estimated that the market value of the Property Portfolio will need to increase by an average rate of approximately one per cent. per annum (on the basis of the Assumptions) for the published net asset value of an Ordinary Share to equal the Issue Price on the tenth anniversary of Admission. It is estimated that, on the assumption of no growth in the Estimated Net Annual Rent or market value of the Property Portfolio and otherwise on the basis of the Assumptions, the published net asset value of an Ordinary Share would be 84.5p on the tenth anniversary of Admission.

Discount policy and share buy backs

The Directors will have authority to buy back up to 14.99 per cent. of the Company's Ordinary Shares in issue immediately following the acquisition of the Initial Property Portfolio and will seek annual renewal of this authority from Shareholders. Any buy back of Ordinary Shares will be made subject to Guernsey law and within guidelines established from time to time by the Board (which will take into account the income and cash flow requirements of the Company) and the making and timing of any buy backs will be at the absolute discretion of the Board. Purchases of Ordinary Shares will only be made through the market for cash at prices below the prevailing published net asset value of the Ordinary Shares (as last calculated) where the Directors believe such purchases will enhance shareholder value. Such purchases will also only be made in accordance with the rules of the UK Listing Authority which provide that the price to be paid must not be more than five per cent. above the average of the middle market quotations for the Ordinary Shares for the five business days before the purchase is made.

The Company has passed a special resolution cancelling the amount standing to the credit of its share premium account following the acquisition of the Initial Property Portfolio, which is expected to amount to approximately £60 million after certain of the Issue Costs have been set off. In accordance with the Law, the Directors intend to apply to the Court in Guernsey for an order confirming such cancellation of the share premium account immediately following Admission. Subject to the approval of the Court and to any undertaking to be given to the Court, the reserve created on such cancellation will be available as distributable profits to be used for all purposes permitted by the Law, including the buying back of shares and the payment of dividends.

It is the intention of the Directors that the share buy back authority will be used to purchase Ordinary Shares (subject to the income and cash flow requirements of the Company) if the share price of an Ordinary Share is more than 5 per cent. below the published net asset value for a continuous period of 20 dealing days or more. In the event that such discount is more than 5 per cent. for 90 dealing days or more, the Directors will convene an extraordinary general meeting to be held within three months to consider an ordinary resolution for the continuation of the Company. If this continuation resolution is not passed, the Directors will convene a further extraordinary general meeting to be held within six months of the first extraordinary general meeting to consider the winding up of the Company or a reconstruction of the Company which offers all Shareholders the opportunity to realise their investment. If any such continuation resolution is passed, this discount policy, save in respect of share buy backs, would not apply for a period of one year thereafter.

Part 2

Additional Information

Group structure

The Company is a newly formed investment company without a fixed life. The share capital of the Company, consisting solely of Ordinary Shares, will be listed on the Official List and traded on the main market of the London Stock Exchange and the market operated by the Channel Islands Stock Exchange. Immediately following the acquisition of the Initial Property Portfolio, the issued share capital of the Company will comprise 735 million Ordinary Shares.

Pursuant to an internal administration agreement between the Company and the Property Subsidiary, the Property Subsidiary has agreed to act as the principal property investment holding company for the Company and to acquire properties and indirect property holdings in accordance with the Company's investment objective and policy. The Company has agreed to fund the Property Subsidiary by way of share and/or loan capital in amounts to be determined from time to time. Further details of the internal administration agreement are set out in paragraph 5.3 of Part 5 of this document.

The Property Subsidiary is a Guernsey incorporated company, which is wholly owned by the Company. Its directors are the same as those of the Company and the Company will be able to control the investment policy of the Property Subsidiary to ensure that it complies with the investment policies of the Company and the investment restrictions that apply to the Company. The Property Subsidiary is also a party to the Investment Management Agreement and the Administration and Secretarial Agreement.

It is intended that all of the Properties and the Indirect Property Funds within the Initial Property Portfolio will be held directly by the Property Subsidiary as more fully described in Part 3 of this document. Whilst the Property Subsidiary has agreed to hold property assets on behalf of the Company, the structure to be used for each acquisition of property assets will be reviewed at the time of acquisition and the Company may invest in property assets by means of any structure which is considered to be appropriate in the circumstances of the proposed acquisition. Accordingly, the Company may, without limit, incorporate further subsidiaries to hold property assets or may acquire the share capital of companies or partnership interests in partnerships which own one or more properties, all of which would be wholly owned by the Group.

Directors

The Directors, all of whom are non-executive and, other than Mr Sweetland, independent of the Investment Manager, are responsible for the determination of the investment policy of the Group and its overall supervision. The Directors are as follows:

Peter Niven (Chairman), aged 50, is a resident of Guernsey. He was chief executive of Lloyds TSB Group's offshore financial services division until 2004. He is a fellow of the Chartered Institute of Bankers and worked for the Lloyds TSB Group for 30 years. He has recently been appointed as director of finance sector development of the States of Guernsey. He is a non-executive director of ABTA Insurance Company (Guernsey) Limited and ABTA Travel Agents Insurance Company Limited. He is also a non-executive director of Dexion Trading Limited, a London listed fund of hedge funds.

Donald Adamson, aged 45, is a resident of Jersey. He currently works for Research & Consulting Associates Limited, a company he established in 1989. From 1990 to 1999 he was a director and subsequently co-owner of Graham Investment Managers Limited. He is a non-executive director of The Lindsell Train Investment Trust plc, Invesco Leveraged High Yield Fund Limited, Equity Partnership Investment Company Ltd, EPIC Reconstruction PLC, Hotel Corporation PLC and other companies.

John Stephen, aged 54, is a UK resident. He is chairman for England of Jones Lang LaSalle, real estate advisers. He is a Fellow of the Royal Institution of Chartered Surveyors and has over 30 years of property experience with Jones Lang LaSalle. He is also a director of the British Property Federation.

Brian Sweetland, aged 59, is a UK resident. He is an English solicitor. He is an executive director of Friends Provident plc and a member of its investment committee. He was the company secretary of Friends Provident plc for over 20 years up to the end of 2004 and was formerly a non-executive director of F&C Asset Management plc and Benchmark Group PLC.

Nicholas Tostevin, aged 52, is a resident of Guernsey. He is an Advocate of the Royal Court of Guernsey and is the senior partner of Babbe Le Pelley Tostevin. He has given legal advice on commercial property transactions in Guernsey for over 25 years. He was a member of the Guernsey legislature, the States of Deliberation, from 1991 to 1997 and was a member of the Guernsey Income Tax Authority for six years. He is a non-executive director of a number of residential and commercial property funds investing in the UK and Europe.

The Directors intend to comply with the Combined Code on Corporate Governance to the extent applicable to investment companies. The Board has put in place a policy to avoid conflicts between the Directors' external interests and the interests of the Company. Under this policy, each of the Directors is obliged to avoid any conflict of interest with the Company but, if a conflict arises, the Director will take no part in the Board discussions relating to such matter.

Mr Sweetland, as a director of Friends Provident plc, is not independent. Mr Sweetland will not be a member of the audit committee or the management engagement committee of the Company. Mr Sweetland will also be subject to re-election by Shareholders at every annual general meeting.

Investment Manager

F&C Asset Management plc is a London listed fund manager with £125 billion of funds under management. F&C manages assets for a wide range of clients across all asset sectors. F&C is one of the ten largest property managers in the UK, with property funds under management of £6 billion. F&C manages property investments on behalf of a wide range of clients, including ISIS Property Trust Limited and ISIS Property Trust 2 Limited.

The property team of F&C comprises 38 investment professionals. The key property personnel at F&C who will be responsible for managing the Property Portfolio are:

Paul Herrington, BSc, MRICS, aged 47, is managing director of F&C Property Asset Management, the property management division of F&C, and has overall responsibility for all of F&C's property funds under management. He is a chartered surveyor with 25 years' experience in the property industry. He joined F&C in 1988 having previously worked with the Valuation Office, in private practice and with a number of property companies. He is Chairman of the Association of British Insurers Property Investment Panel and a member of the Bank of England Property Forum, the ODPM Property Consultative Group, the British Property Federation General Council, the British Council for Shopping Centres and the British Council for Offices.

Richard Kirby, BSc, MRICS, aged 37, is a director of F&C Property Asset Management and is responsible for managing the property portfolio of FPWP. He has a degree in estate management and has worked for F&C Property Asset Management for over 14 years. He has been a fund manager since 1995 and has experience of running a number of property portfolios. He is a member of the British Council for Shopping Centres.

The Company and the Property Subsidiary have entered into the Investment Management Agreement with the Investment Manager under which F&C has been appointed with responsibility for the management of the Group's assets, subject to the overall supervision of the Directors, and to provide certain administrative services to the Group. The Investment Manager will manage the Group's investments in accordance with the policies laid down by the Directors and in accordance with the investment restrictions referred to in the Investment Management Agreement and the Prospectus. The Investment Manager has in place an allocation policy to ensure that it is able to resolve fairly any potential conflicts between the various property funds that it manages. This policy will generally allocate an investment opportunity to the fund whose investment criteria most closely match the investment opportunity.

Under the Investment Management Agreement, the Investment Manager will receive an aggregate annual fee from the Group, payable quarterly in arrears, at the rate of 0.75 per cent. per annum of the Total Assets plus an administrative fee of £100,000 per annum (which will increase annually in line with inflation). The fees of any managing agents appointed by the Investment Manager will be payable out of this fee. The Investment Manager shall be permitted to retain commissions in respect of insurance put in place by it on behalf of the Group. The Investment Management Agreement is for a fixed initial period of four years from the date of Admission and, with effect from the third anniversary of Admission, is terminable by any of the parties to it on 12 months' notice. Further details of the Investment Management Agreement are set out in paragraph 5.1 of Part 5 of this document.

Administration and secretarial arrangements

Guernsey International Fund Managers Limited will provide administration and secretarial services to the Group and registrar services to the Company as set out in the Administration and Secretarial Agreement. The Administrator shall receive a fee of £50,000 per annum, payable quarterly in arrears, and an initial fee of £10,000 payable immediately following Admission. The Administration and Secretarial Agreement can be terminated by either party on 90 days' prior notice. Further details of the Administration and Secretarial Agreement are set out in paragraph 5.2 of Part 5 of this document.

Solicitors appointed by the Group will hold the property deeds on behalf of the Group.

Annual expenses

The principal annual expenses of the Group will be the fees payable to the Investment Manager, the Administrator, the Valuer and the Directors. The Group will also incur regulatory fees, legal fees, rent review fees, letting fees, insurance costs, audit fees and other expenses. It is estimated that the total expenses of the Group for the period ending 31 December 2005 (excluding the Issue Costs and refurbishment costs and capital expenditure, but including irrecoverable VAT) will not exceed 0.9 per cent. per annum of the Total Assets, annualised over this period.

Accounting policy

The audited accounts of the Group will be prepared under International Financial Reporting Standards ("IFRS"). Under IFRS, the Group will prepare an income statement which, unlike a statement of total return, does not differentiate between revenue and capital and also includes net realised and unrealised investment gains. The Company's management and administration fees, finance costs (including interest under the Facility Agreement) and all other expenses will be charged through the income statement. The Directors propose to pay dividends out of gross income. Gross income is calculated as all income received as rents, interest and other amounts from the Group's assets, including any interest received from cash held on deposit.

Shareholder information

The Company's annual report and accounts (which will consolidate the accounts of the Property Subsidiary and the Bond Issuer) will be prepared up to 31 December each year and it is expected that copies will be sent to Shareholders in the following March. Shareholders will also receive an unaudited interim report covering the six months to 30 June each year, expected to be despatched in the following August. The first financial period of the Group will cover the period ending 31 December 2005. The first financial report and accounts that Shareholders will receive will be the unaudited interim report for the period ending 30 June 2005.

Properties will be valued by an external valuer quarterly. The net asset value attributable to the Ordinary Shares will be published quarterly based on the properties' most recent valuation and calculated on a capital basis under UK Generally Accepted Accounting Principles ("UK GAAP") and practice for investment trust companies. The net asset value will be published on the London Stock Exchange and the Channel Islands Stock Exchange as soon as practicable after the end of the relevant quarter.

It is expected that there will be a difference between the net asset value of an Ordinary Share under IFRS and the published net asset value of an Ordinary Share. This will principally be due to the fact that under IFRS both revenue and capital items are included whereas, with a capital basis, only capital items are included. The treatment of the Bonds under IFRS has yet to be finalised but the present position will require companies to value their loans, such as the Bonds, at amortised cost. This is similar to the current treatment that would generally apply to the Bonds under UK GAAP.

It is expected that the first net asset value of an Ordinary Share will be calculated as at 31 March 2005 and will be published at the beginning of April 2005. A reconciliation between the net asset value of an Ordinary Share under IFRS and the published net asset value of an Ordinary Share will be included in the annual reports and accounts and the interim report of the Company.

Relationship with Friends Provident

FPWP, LCH and SCP, each a wholly owned subsidiary of Friends Provident, currently own the Initial Property Portfolio. The Company has, conditional on the admission of the New Ordinary Shares and the Bonds to the Official List of the UK Listing Authority, agreed with the Vendors to acquire the Initial Property Portfolio. The consideration for the Initial Property Portfolio will be £925,372,000. The consideration is payable in a mixture of cash, the discharge by the Company of certain liabilities of FPWP and the issue of the FP Shares, being 465 million Ordinary Shares. The Vendors are also entitled to a commission at the rate of one per cent. on the value at the Issue Price of the FP Shares issued to them.

Accordingly, following the acquisition of the Initial Property Portfolio, subsidiaries of Friends Provident will own 63 per cent. of the issued share capital of the Company. Friends Provident has indicated that this holding of Ordinary Shares will form a core part of its property portfolio. Friends Provident has also confirmed that it has no current intention to reduce materially the holding of Ordinary Shares.

FPWP is also a party to the costs commission agreement, details of which are set out in paragraph 5.5 of Part 5 of this document.

Friends Provident and the Company have entered into the Relationship Agreement which provides, *inter alia,* that, for so long as Friends Provident and its associates (which includes the Vendors) exercise, or control the exercise of, 30 per cent. or more of the voting rights of the Company, Friends Provident will not and Friends Provident will procure that its associates will not:

(i) seek to nominate directors to the board who are not independent of Friends Provident or its associates;

(ii) take, in its capacity as a beneficial holder of any Ordinary Shares, any action which would be detrimental to the general body of Shareholders;

(iii) take any action which may result in the Investment Manager or any of the Directors not being able to carry out its or their duties independently of Friends Provident or its associates, or;

(iv) permit Friends Provident or any of its associates to enter into any transaction or relationship with the Company other than at an arm's length and on a normal commercial basis.

For this purpose, any action which has the support or recommendation of a majority of the Directors or voting by Friends Provident or its associates at any general meeting convened by the Board shall be deemed not to be detrimental. Full details of the Relationship Agreement are set out in paragraph 5.6 of Part 5 of this document.

The Board of the Company will comprise four independent Directors and one non-independent Director. The Board will have overall responsibility for the Company's activities and will supervise the relationship between the Company and Friends Provident as the majority shareholder.

Friends Provident owns 51 per cent. of the issued share capital of F&C Asset Management plc. The Board has established a Management Engagement Committee (the "Management Engagement Committee") consisting of all of the directors, other than the non-independent Director, Mr Sweetland. The Management Engagement Committee will be responsible for supervising the Investment Manager's performance of its duties under the Investment Management Agreement.

The Directors are of the opinion that the Company will be at all times capable of carrying on its business independently of Friends Provident and its associates and that all transactions and relationships between the Company and Friends Provident and its associates are, and will be, at arm's length and on a normal commercial basis.

The Issue

The Issue, which is not underwritten, is conditional, *inter alia*, upon admission of the New Ordinary Shares to the UKLA Official List and to trading on the London Stock Exchange becoming effective and upon 270 million New Ordinary Shares being subscribed for under the Issue. G&N has agreed to use its reasonable endeavours to procure placees under the Placing for up to 270 million New Ordinary Shares. A commission is payable, at the rate of one per cent. on the Issue Price, to placees in respect of all New Ordinary Shares acquired under the Placing and to financial intermediaries in respect of all New Ordinary Shares acquired under the Offer through financial intermediaries. Under the Acquisition Agreements relating to the Properties, a commission at the rate of one per cent. on the value at the Issue Price is also payable to the Vendors in respect of the FP Shares allotted to each of them.

G&N has obtained irrevocable commitments from placees for 238.4 million New Ordinary Shares in the Placing.

Shares issued pursuant to the Issue will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that definitive certificates in respect of the Ordinary Shares will, where requested, be despatched by post by 1 April 2005. Temporary documents of title will not be issued. Dealings in the New Ordinary Shares are expected to commence on 18 March 2005.

If the Issue proceeds, 270 million New Ordinary Shares will be issued and the net proceeds of the Issue after the Issue Costs of approximately £21.7 million (being 2.25 per cent. of the Initial Gross Assets) will be £248.3 million.

The Ordinary Shares will be issued at a price of 100p each, representing a premium of 10p per share over the nominal value of each Ordinary Share of 90p. The Issue Price under the Placing is payable in full in cash upon issue of the New Ordinary Shares. Under the Offer the Issue Price is payable in full in cash upon application. An application under the Offer must be for New Ordinary Shares with a minimum aggregate Issue Price of £3,000 and thereafter in multiples of £1,000.

The procedure for, and the terms and conditions of, application under the Offer for Subscription are set out in Part 6 of this document and an application form for use under the Offer for Subscription is attached.

Completed application forms in relation to the Offer for Subscription must be posted or delivered by hand (during normal business hours) to Computershare Investor Services PLC, PO Box 859, The Pavilions, Bridgwater Road, Bristol BS99 1XZ so as to be received by 3.00 p.m. on 14 March 2005.

A maximum of 270 million New Ordinary Shares are available under the Placing and Offer for Subscription. In the event that commitments under the Placing and valid applications under the Offer reach 270 million New Ordinary Shares, no further commitments or applications will be accepted and the Placing and Offer will be closed.

Taxation

The information below, which is of a general nature only and which relates only to United Kingdom and Guernsey taxation, is applicable to the Company and the Property Subsidiary and to persons who are resident or ordinarily resident in the United Kingdom (except where indicated) and who hold Ordinary Shares as an investment. It is based on existing law and practice and is subject to subsequent changes therein. Any change in the Company's or the Property Subsidiary's tax status or in taxation legislation in Guernsey or the United Kingdom or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company or the Property Subsidiary or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post tax returns to Shareholders. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

(i) The Group

The Company and the Property Subsidiary will apply on an annual basis for tax exempt status in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. The Administrator of Income Tax in Guernsey has confirmed, based on the proposed activities, that the Company and the Property Subsidiary will qualify. As exempt companies they will be taxable in Guernsey on local source income only, excluding bank interest. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore there will be no tax in Guernsey. A fee (currently £600 per annum) is payable in respect of each company's exempt status.

No charge to Guernsey taxation will arise on capital gains.

It is the intention of the Directors to conduct the affairs of the Group so that the management and control of the Company and the Property Subsidiary is not exercised in the United Kingdom and so that neither is resident in the United Kingdom for taxation purposes and so that neither carries on any trade in the United Kingdom (whether or not through a permanent establishment situated there). Accordingly, the Company and the Property Subsidiary will not be liable for United Kingdom taxation on their income or gains other than certain income deriving from a United Kingdom source.

The Property Subsidiary will be subject to United Kingdom income tax on income arising on the Property Portfolio after deduction of its debt financing costs and allowable expenses. The Property Subsidiary will apply to the Inland Revenue for approval to receive rental income gross.

On 22 November 2002, the Advisory and Finance Committee of the States of Guernsey (now the States of Guernsey Policy Council) announced a proposed framework for a structure of corporate tax reform within an indicative timescale. In the announcement the Committee stated that any specific recommendations for change would only be placed before the Guernsey Government after further consultation with local businesses and a review of taxation in other financial centres. The relevant parts of the announcement are as follows.

(a) The general rate of income tax paid by Guernsey companies will be reduced to 0 per cent. in respect of tax year 2008 and subsequent years. Exempt company status is to be abolished.

(b) Certain regulated businesses will pay tax at 10 per cent. such as banks. Importantly, captives and funds (which term will include the Company and the Property Subsidiary) will continue to be taxed at nil.

(c) It is intended that personal income tax will be maintained at 20 per cent. and VAT will not be introduced.

(d) The Guernsey Government has stated there is no intention to introduce capital gains tax, inheritance, gift, or wealth tax or other form of capital taxation.

(ii) Investors

(a) Taxation of Dividends on Ordinary Shares

Ordinary Shareholders will receive dividends without deduction of Guernsey income tax. UK resident individual Ordinary Shareholders will be liable to income tax on the dividends received. No UK tax credit will be attached to dividends received by Ordinary Shareholders. UK resident corporate Ordinary Shareholders will be liable to corporation tax on dividends received from the Company.

The income tax charge in respect of dividends for United Kingdom resident individual Ordinary Shareholders, other than higher rate taxpayers, will be at the rate of 10 per cent. A higher rate taxpayer will be liable to income tax on dividends received from the Company (to the extent that, taking the dividend as the top slice of his income, it falls above the threshold for the higher rate of income tax) at the rate of 32.5 per cent. United Kingdom resident Ordinary Shareholders who are not liable to income tax on their income and those who hold their Ordinary Shares through a Personal Equity Plan or ISA will not be subject to tax on dividends.

The Company is required to make a return to the Administrator of Income Tax, on request, of the names, addresses and shareholdings of Guernsey resident Shareholders.

(b) Taxation of Capital Gains

The Company, as a closed-ended investment company, should not as at the date of this Prospectus be treated as an "offshore fund" for the purposes of United Kingdom taxation. Accordingly, the provisions of sections 757 to 764 of the Income and Corporation Taxes Act 1988 (the "Taxes Act") should not apply. Any gains on disposals by UK resident or ordinarily resident holders of the Ordinary Shares may, depending on their individual circumstances, give rise to a liability to United Kingdom taxation on capital gains. Non-Guernsey resident Ordinary Shareholders will not suffer any liability to capital gains tax in Guernsey.

(c) Individual Savings Accounts

Ordinary Shares will be eligible to be held in the stocks and shares component of an ISA, subject to applicable subscription limits, and provided the ISA manager has acquired the shares by purchase in the market or by application for shares publicly offered for sale or subscription. Accordingly, only Ordinary Shares acquired under the Offer (but not the Placing) will be eligible to be held in an ISA. Gains on, and dividends received in respect of, shares held within an ISA are exempt from capital gains tax and income tax.

It is the intention of the Directors that the Company will operate so as to ensure that the Ordinary Shares continue to qualify for inclusion within an ISA. Ordinary Shares acquired under the Offer (but not the Placing) or by purchase in the market will qualify for inclusion in existing Personal Equity Plans.

(d) Stamp Duty and Stamp Duty Reserve Tax

The following comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with voluntary arrangements or clearance services, to whom special rules apply. No Guernsey or UK stamp duty, or stamp duty reserve tax, will be payable on the issue of the Ordinary Shares. Regardless of whether Ordinary Shares are held in certificated or uncertificated form, United Kingdom stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the Ordinary Shares executed within, or in certain cases brought into, the United Kingdom. Provided that the Ordinary Shares are not registered in any register of the Company kept in the United Kingdom, any agreement to transfer the Ordinary Shares will not be subject to United Kingdom stamp duty reserve tax. In the event of the death of a sole holder of Ordinary Shares, a Guernsey grant of probate or administration may be required in respect of which certain fees will be payable to the Ecclesiastical Registrar in Guernsey.

Document duty in Guernsey is calculated at the rate of 0.5 per cent. and is payable on incorporation on the nominal value of the authorised share capital of the Company and the Property Subsidiary up to a maximum of £5,000 for each company.

(e) Other United Kingdom tax considerations

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of sections 739 to 745 of the Taxes Act under which the income accruing to the Company may be attributed to such a shareholder and may (in certain circumstances) be liable to UK income tax in the hands of the shareholder. However, the provisions do not apply if such a shareholder can satisfy the UK Inland Revenue that, either:

(1) the purpose of avoiding liability to UK taxation was not the purpose or one of the purposes of his investment in the Company; or

(2) the investment was a bona fide commercial transaction and was not designed for the purpose of avoiding UK taxation.

As it is probable that the Company will be owned by a majority of persons resident in the UK, the legislation applying to controlled foreign companies may apply to any corporate Ordinary Shareholders who are resident in the UK. Under these rules, part of any undistributed income accruing to the Company or the Property Subsidiary may be attributed to such a shareholder, and may in certain circumstances be chargeable to UK corporation tax in the hands of the shareholder. However, this will only apply if the apportionment to that shareholder (when aggregated with persons connected or associated with them) is at least 25 per cent. of the Company's or the Property Subsidiary's relevant profits.

These provisions will not, however, apply so long as the Company and the Property Subsidiary follow an acceptable distribution policy (ie. when each company distributes at least 90 per cent. of income profits arising in each accounting period). As it is the Group's policy to distribute substantially all income profits, it is anticipated that it will satisfy such requirement.

This paragraph applies only to Ordinary Shareholders who are resident or ordinarily resident in the UK and whose interest (when aggregated with persons connected with them) in the chargeable gains of the Company exceeds one-tenth. In the event that the Company would be treated as "close" if it were resident in the UK, then part of any chargeable gain accruing to the Company or the Property Subsidiary may be attributed to such a shareholder and may (in certain circumstances) be liable to UK tax on capital gains in the hands of the shareholder. The part attributed to the shareholder corresponds to the shareholder's proportionate interest in the Company.

(f) EU Savings Directive

No retentions or exchanges of information under the EU Savings Directive are expected to apply to holdings of Ordinary Shares.

Investment restrictions

In accordance with the Listing Rules of the UK Listing Authority:

(a) distributable income of the Group will be principally derived from investment (neither the Company nor any subsidiary will conduct a trading activity which is significant in the context of the Group as a whole);

(b) save for the purpose of funding the Property Subsidiary and other subsidiary undertakings in their capacities as the property holding companies of the Company, not more than 20 per cent. of the gross assets of the Company will be lent to or invested in the securities of any one company or group (including loans to or shares in the Company's own subsidiaries) at the time the investment or loan is made; for this purpose any existing holding in the company concerned will be aggregated with the proposed new investment;

(c) dividends will not be paid unless they are covered by income received from underlying investments and/or interest on inter company loans and, for this purpose, a share of profit of an associated company is unavailable unless and until distributed to the Company;

(d) the distribution as dividend of surpluses arising from the realisation of investments will be prohibited;

(e) the Company will be a passive investor and will not (save in respect of the Property Subsidiary or other subsidiary undertakings which may be established from time to time) seek to take legal or management control of any companies or businesses in which it invests; and

(f) the Company will not be a dealer in investments.

As the Company is a property investment company for the purposes of the Listing Rules, the following investment restrictions will be adhered to:

(a) the borrowings of the Group (excluding intra group loans) shall not exceed 65 per cent. of the gross assets of the Group (consolidated where applicable);

(b) no one property (including all adjacent or contiguous properties) shall at the time of Admission or, if later, at the time of acquisition, represent more than 15 per cent. of the gross assets of the Group (consolidated where applicable);

(c) income receivable from any one tenant, or tenants within the same group, in any one financial year shall not exceed 20 per cent. of the total rental income of the Group in that financial year;

(d) at least 90 per cent. by value of properties held shall be in the form of freehold, heritable title or long leasehold (over 60 years remaining at the time of Admission or, if later, at the time of acquisition) properties or the equivalent;

(e) the proportion of the Property Portfolio which is unoccupied or not producing income or which is in the course of substantial development, redevelopment or refurbishment shall not exceed 25 per cent. of the value of the portfolio; and

(f) the Company shall not retain more than 15 per cent. of its net profits (before gains and losses on the disposal of properties and other investments).

Principal bases and assumptions

The principal bases and assumptions used in this document (other than in Part 4 of this document) are that:

(a) Admission occurs on 18 March 2005 and the Initial Property Portfolio is acquired as described in Section B of Part 3 of this document immediately following Admission;

(b) the Initial Gross Assets amount to £965 million;

(c) 270 million New Ordinary Shares of the Company are issued pursuant to the Issue at an Issue Price of 100p per share and 465 million FP Shares are issued;

(d) £230 million in nominal amount of Bonds are issued on Admission and such amount is lent by the Bond Issuer to the Company at an interest rate of not more than 5.3 per cent. per annum payable half-yearly in arrears to 30 June 2015; any further borrowings of the Group will bear interest at 6.0 per cent. per annum and uninvested cash shall earn interest at the rate of 4.0 per cent. per annum;

(e) the Issue Costs equal 2.25 per cent. of the Initial Gross Assets;

(f) the annual running costs of the Group (including investment management fees, managing agent fees, directors' fees, insurance costs, other costs of managing the Property Portfolio, rent review fees, letting fees and legal fees and other costs of running the Group and irrecoverable VAT but excluding refurbishment costs and capital expenditure) are 0.9 per cent. per annum of the Total Assets of the Group and are paid quarterly in arrears;

(g) the Company pays dividends totalling 4.75p in respect of the financial period ending 31 December 2005 as described in Part 1 of this document and thereafter the Company pays an annual dividend in each financial year of 6.0p on each issued Ordinary Share in four equal instalments in July, October, January and April (these forecasts relate to dividends only and are not profit forecasts); and the issued share capital of the Company does not change following Admission;

(h) neither the Company nor the Property Subsidiary incurs any material liability to taxation on income or gains and neither suffers any liability to UK withholding taxes;

(i) all tenant leases are accounted for as operating leases and the initial income return on the Initial Property Portfolio is 6.09 per cent. on the Market Value, taking account of current voids in the Initial Property Portfolio of 2.7 per cent. of the Estimated Net Annual Rent;

(j) Estimated Net Annual Rent of the Property Portfolio (including net rental income from the Indirect Property Funds) grows at 1.9 per cent. per annum (this is not a profit forecast); the sector split in the Property Portfolio does not change following Admission and no properties are disposed of or acquired; and rent reviews (including rent reviews that are currently outstanding) and re-lettings are at the then (or current) Estimated Net Annual Rent (without deducting superior rents);

(k) the value of the Property Portfolio is calculated on the tenth anniversary of Admission on the same yield basis as the value of the Properties comprised in the Initial Property Portfolio was calculated as at 2 February 2005;

(l) an allowance is made of 1.0 per cent. per annum of rental income to reflect loss of income through unexpected tenant defaults;

(m) where voids currently exist in the Initial Property Portfolio, there is a period of 12 months until re-letting occurs and where leases have a break option or leases expire within the next 10 years, there is a period of 12 months until re-letting occurs;

(n) there is no depreciation applied to the value of properties comprised in the Property Portfolio and refurbishment and capital expenditure related to the Property Portfolio is incurred in accordance with the Investment Manager's current estimates for such expenses; and

(o) the Property Subsidiary and any other subsidiary undertakings which may be established from time to time will be registered for UK VAT purposes, and 90 per cent. (by current net annual rent) of the properties within the Property Portfolio will be opted to tax for UK VAT purposes.

Part 3

Initial Property Portfolio

A. SUMMARY OF THE INITIAL PROPERTY PORTFOLIO

1. Summary description of the Initial Property Portfolio

Properties/Indirect Property Funds	Sector	Region	Current Net Annual Rent	Estimated Net Annual Rent	Income Return	Market Value
Colchester, Lion Walk Shopping Centre†	Shopping Centre	Eastern	£4,220,955	£4,560,264	6.07%	£69,500,000
Edinburgh, 124/125 Princes Street	Retail	Scotland	£1,119,440	£1,087,155	6.34%	£17,670,000
Leeds, 27/28 Commercial Street†	Retail	York Humber	£339,420	£542,120	3.19%	£10,650,000
Leeds, 40/42 Albion Street	Retail	York Humber	£87,500	£92,230	5.30%	£1,650,000
London SW19, Wimbledon Broadway	Retail	South East	£2,730,991	£3,245,000	5.83%	£46,860,000
London W1, 385/389 Oxford Street‡	Retail	West End	£725,000	£750,000	5.39%	£13,450,000
London W1, St Christopher's Place Estate†	Retail	West End	£4,964,839	£5,126,090	5.73%	£86,625,000
Newbury, Newbury Retail Park	Retail Whse	South East	£2,266,423	£2,384,880	4.74%	£47,850,000
Rochdale, Dane Street	Retail Whse	North West	£1,526,000	£1,606,500	5.30%	£28,800,000
Solihull, Sears Retail Park	Retail Whse	West Midlands	£3,389,088	£3,939,408	4.79%	£70,720,000
Camberley, Watchmoor Park	Offices	South East	£2,875,500	£2,349,500	7.78%	£36,950,000
Edinburgh, Nevis/Ness Houses, 11/12 Lochside Place	Offices	Scotland	£913,050	£823,500	6.71%	£13,600,000
Glasgow, Alhambra House, Waterloo Street	Offices	Scotland	£1,124,340	£1,991,180	4.17%	£26,950,000
London EC3, 7 Birchin Lane	Offices	City	£733,937	£458,840	14.25%	£5,150,000
London SW1, Cassini House, St James's Street	Offices	West End	£2,611,173	£2,631,810	5.51%	£47,400,000
London SW1, Charles House, 5-11 Regent Street‡	Offices	West End	£1,777,790	£1,177,105	7.46%	£23,825,000
London W1, 16 Conduit Street‡	Offices	West End	£174,972	£184,972	5.55%	£3,150,000
London W1, 17A Curzon Street	Offices	West End	£426,800	£451,150	5.93%	£7,200,000
London W1, 24/27 Great Pulteney Street	Offices	West End	£800,050	£759,500	7.49%	£10,675,000
London SW1, 84 Eccleston Square	Offices	West End	£3,121,500	£2,519,500	7.40%	£42,165,000
London SW1, 2/4 King Street	Offices	West End	£200,361	£448,361	3.25%	£6,160,000
Manchester, 82 King Street	Offices	North West	£1,961,397	£2,167,910	6.05%	£32,400,000
Reading, Thames Valley One, Thames Valley Park	Offices	South East	£2,055,000	£1,660,000	8.20%	£25,075,000
Reading, Thames Valley Two, Thames Valley Park	Offices	South East	£1,400,000	£1,250,000	7.80%	£17,950,000
Uxbridge, 3 The Square, Stockley Park	Offices	South East	£2,700,000	£2,285,000	6.35%	£42,550,000
Camberley, Affinity Point, Glebeland Road	Industrial	South East	£457,600	£457,600	6.88%	£6,650,000
Colchester, Ozalid Works, Cowdray Avenue	Industrial	Eastern	£270,557	£352,634	5.10%	£5,300,000
Colchester, The Cowdray Centre, Cowdray Avenue	Industrial	Eastern	£1,153,288	£1,186,200	7.47%	£15,440,000
Southampton, Upper Northam Road, Hedge End	Industrial	South East	£767,082	£761,374	7.45%	£10,300,000
Sunbury, Blocks A,D,E,F,G&H, International Business Centre	Industrial	South East	£1,472,930	£1,624,800	7.85%	£18,760,000
Total Properties			**£48,366,983**	**£48,874,583**	**6.11%**	**£791,425,000**
The IPIF Feeder Unit Trust	Industrial	—	£5,880,000*	—	6.26%	£93,947,000**
The Mall Unit Trust	Shopping Centres	—	£2,100,000*	—	5.25%	£40,000,000**
Total Indirect Property Funds			**£7,980,000**	**—**	**5.96%**	**£133,947,000**
TOTAL			**£56,346,983**	**—**	**6.09%**	**£925,372,000**

† Part freehold, part leasehold.
‡ Leasehold.
* Based on net rental income paid from the relevant fund in respect of the year ended 31 December 2004.
**Net asset value as at 31 December 2004.

All of the information included above in relation to the Properties has been extracted without material adjustment from the valuation report prepared by the Valuer, which is set out in Part 4 of this document.

2. Details of the ten largest Properties

Set out below is a brief description of the ten largest Properties.

St Christopher's Place Estate, London W1			
An estate comprising a number of individual buildings located in a retail and leisure destination to the north of Oxford Street. There are in excess of 130 tenants on the estate.			
Top five tenants	**Lease term**	**Lease expiry**	**Rent review**
The Body Shop International Plc	25 Years	24 December 2014	25 December 2004*
Speciality Retail Group Plc	25 Years	24 March 2015	25 March 2005
Carluccio's Ltd	25 Years	7 August 2025	24 June 2005
HMV Music Limited	15 Years	31 December 2010	1 January 2001
Pizza Express (Restaurants) Ltd	25 Years	28 September 2018	N/A
Current Net Annual Rent £4,964,839	Estimated Net Annual Rent £5,126,090		Market Value £86,625,000

* Rent review outstanding

Sears Retail Park, Marshall Lake Road, Solihull			
A retail warehouse park located close to the junction of the A34 and the B4102 approximately two miles from the centre of Solihull. The property comprises a terrace of five retail units constructed in 1993 and a further detached unit. Sears Retail Park adjoins Solihull Retail Park.			
Top five tenants	**Lease term**	**Lease expiry**	**Rent review**
Homebase Limited (two leases)	25 Years	24 March 2019 (both)	25 March 2004* 25 March 2009
Argos Limited	15 Years	24 August 2018	25 August 2008
Boots the Chemists Limited	10 Years	21 September 2014	22 September 2009
Blane Leisure Ltd	20 Years	24 March 2019	8 June 2008
Comet Group plc	25 Years	23 June 2025	24 June 2005
Current Net Annual Rent £3,389,088	Estimated Net Annual Rent £3,939,408		Market Value £70,720,000

* Rent review outstanding

Lion Walk Shopping Centre, Colchester			
A multi-let uncovered pedestrianised shopping centre comprising two large stores and 43 shop units with a small area of office accommodation. The property was constructed in the early 1970s and is part leasehold, part freehold.			
Top five tenants	**Lease term**	**Lease expiry**	**Rent review**
Davenbush Ltd (BHS Limited)	99 Years	22 December 2074	24 December 2005
Boots the Chemists Limited	15 Years	1 June 2018*	2 June 2008
HMV UK Limited	15 Years	27 October 2017	28 October 2007
New Look Retail Limited	15 Years	1 June 2018	2 June 2008
W H Smith plc	10 Years	24 March 2007	N/A
Current Net Annual Rent £4,220,955	Estimated Net Annual Rent £4,560,264		Market Value £69,500,000

* Mutual option 1 June 2013

Newbury Retail Park, Newbury			
A modern retail warehouse park constructed in 1997 located to the east of the Newbury by-pass. The park comprises 10 retail units, two restaurants totalling 12,068 sq m with the benefit of an open A1 planning consent. The property also includes an adjoining site which has the benefit of a planning consent for 3,700 sq m of additional retail warehousing.			
Top five tenants	**Lease term**	**Lease expiry**	**Rent review**
Homebase Ltd	25 Years	24 March 2022	25 March 2007
JJB Sports plc	25 Years	24 March 2022	25 March 2007
Mothercare UK Limited	20 Years	24 March 2022	25 March 2007
Next Group plc	15 Years	18 August 2018	19 August 2008
Boots The Chemists Limited	15 Years	8 October 2015	9 October 2005
Current Net Annual Rent £2,266,423	Estimated Net Annual Rent £2,384,880		Market Value £47,850,000

Cassini House, 57-59 St James's Street, London SW1			
A core St James's office building completed in 1999 comprising floor plates of approximately 660 sq m and totalling approximately 4,621 sq m. The building is arranged over lower ground and six upper floors and is multi-let.			
Top five tenants	**Lease term**	**Lease expiry**	**Rent review**
Putnam Investments Limited (two leases)	18 Years	24 December 2017 (both)	12 October 2004* (both)
Credit Agricole Indosuez (two leases)	18 Years	24 December 2017 (both)	4 October 2004* (both)
Putnam Europe Ltd	18 Years	24 December 2017	23 July 2004*
Norimet Limited	18 Years	24 December 2017	12 July 2004*
Messrs Gibbs, Henry, Kerr & Woodman	13 Years	24 December 2017	24 June 2009
Current Net Annual Rent £2,611,173	Estimated Net Annual Rent £2,631,810		Market Value £47,400,000

* Rent review outstanding

Wimbledon Broadway, London SW19			
A town centre retail / leisure scheme completed in 2002 comprising a 12 screen multi-plex cinema, a supermarket, healthclub and eight retail units.			
Top five tenants	**Lease term**	**Lease expiry**	**Rent review**
Odeon Cinemas Limited	25 Years	24 July 2027	25 July 2007
Safeway Stores plc	20 Years	26 November 2020	27 November 2005
Cannons Health and Fitness Limited	25 Years	6 January 2027	7 January 2007
Mitchells & Butlers Retail Limited	25 Years	28 October 2027	29 October 2007
The Entertainer (Amersham) Limited	15 Years	15 September 2017	16 September 2007
Current Net Annual Rent £2,730,991	Estimated Net Annual Rent £3,245,000		Market Value £46,860,000

3 The Square, Stockley Park, Uxbridge			
A headquarters office building located in a business park close to Heathrow airport. The property completed in 1997 is arranged over ground and three upper floors totalling 8,621 sq m.			
Tenants	**Lease term**	**Lease expiry**	**Rent review**
GB Gas Holdings Limited	25 Years	24 March 2022	25 March 2007
Current Net Annual Rent £2,700,000	Estimated Net Annual Rent £2,285,000		Market Value £42,550,000

84 Eccleston Square, London SW1			
A modern office building completed in 1989 arranged over lower ground, ground and 6 upper floors comprising 6,320 sq m and 42 parking spaces.			
Tenants	**Lease term**	**Lease expiry**	**Rent review**
APL Group Limited	25 Years	24 March 2014	25 March 2004*
Blue Circle Industries plc	25 Years	24 March 2014	25 March 2009
Current Net Annual Rent £3,121,500	Estimated Net Annual Rent £2,519,500		Market Value £42,165,000

* Rent review outstanding

Watchmoor Park, Camberley			
Three modern office buildings located in a business park environment. The properties comprise in total 18,539 sq m.			
Tenants	**Lease term**	**Lease expiry**	**Rent review**
Dunlop Slazenger International Ltd	20 Years	20 October 2016*	21 October 2006
DIMON International Services Limited	20 Years	15 September 2017**	21 July 2007
Fluor Properties Limited	20 Years	13 February 2017***	14 February 2007
Current Net Annual Rent £2,875,500	Estimated Net Annual Rent £2,349,500		Market Value £36,950,000

* Tenant's option 20 November 2011
** Tenant's option 15 September 2012
*** Tenant's option 13 February 2012

82 King Street, Manchester			
A multi-let City centre office building comprising the former Bank of England building which is Grade 1 Listed and modern tower on basement, ground and thirteen upper floors. The refurbishment of the listed building and development of the tower was completed in 1996 and provides in total 7,881 sq m.			
Top five tenants	**Lease term**	**Lease expiry**	**Rent review**
N M Rothschild & Son Limited	25 Years	24 December 2023*	25 December 2008
Regus (UK) Limited	20 Years	15 July 2017**	16 July 2007
Wella (UK) Limited	15 Years	25 June 2015	21 April 2005
Chubb Insurance Company of Europe SA	10 Years	16 February 2007	N/A
Michael Page Group plc	13 Years	20 July 2014***	21 July 2004****
Current Net Annual Rent £1,961,397	Estimated Net Annual Rent £2,167,910		Market Value £32,400,000

* Tenant's option 24 December 2013
** Tenant's option 15 July 2007
*** Tenant's option 20 July 2009
**** Rent review outstanding

3. Details of the Indirect Property Funds

Set out below is a brief description of the Indirect Property Funds.

The IPIF Feeder Unit Trust ("IPIF")	
IPIF is a Jersey unit trust that acts as the feeder fund for the Industrial Property Investment Fund Limited Partnership, an English limited partnership. The limited partnership invests in industrial property across the UK. The limited partnership has gross assets of £728,840,000 invested in over 110 properties with over 1,350 underlying tenants. The limited partnership currently has borrowings of £135,000,000 (with maximum permitted borrowings of 50 per cent. of its gross assets). The manager of the limited partnership is Legal & General Investment Management Limited. The Property Subsidiary will acquire 157,031 units in IPIF, being 15.7 per cent. of the currently outstanding units.	
Net Rental Income £5,880,000†	Net Asset Value £93,947,000

The Mall Unit Trust ("MUT")	
MUT is a Jersey unit trust that acts as the feeder fund for The Mall Limited Partnership, an English limited partnership. The limited partnership invests in shopping centres across the UK. The limited partnership has gross assets of £2,244,900,000 invested in 22 shopping centres with around 2,000 underlying tenants. The limited partnership currently has borrowings of £1,025,713,949 (with maximum permitted borrowings of 60 per cent. of the aggregate of the open market value of the properties held). The fund manager of the limited partnership is Morley Fund Management Limited. The Property Subsidiary will acquire 22,722,366 units in MUT, being 3.72 per cent. of the currently outstanding units.	
Net Rental Income £2,100,000†	Net Asset Value £40,000,000

† Based on net annual rental income paid from the relevant fund for the year ended 31 December 2004.

4. Tenant concentration

The tenants that contribute in excess of 2 per cent. of the current net annual rent (excluding income from the Indirect Property Funds) can be summarised as follows:

Tenant (including group companies)	Description of business	Covenant strength†	% of current net annual rent	Property
GB Gas Holdings Limited	Utilities company	Low risk	5.4%	3 The Square, Stockley Park, Uxbridge
GUS plc	General retailer	Low risk	5.0%	Sears Retail Park, Solihull and Newbury Retail Park, Newbury
Fujitsu Services Limited	Electronics	Low risk	4.1%	Thames Valley One, Thames Valley Park, Reading
Boots the Chemists Limited	General retailer	Low risk	3.7%	Lion Walk, Colchester, Newbury Retail Park, Newbury, Sears Retail Park, Solihull and St Christopher's Place Estate, London W1
APL Group Limited	Marketing consultants	Medium/High	3.2%	84 Eccleston Square, London SW1
Blue Circle Industries plc	Construction supplies	Low risk	3.0%	84 Eccleston Square, London SW1
Fluor Properties Limited	Consulting engineers	Low risk	3.0%	Watchmoor Park, Camberley
JP Morgan	Financial services	Negligible/government risk	2.8%	Alhambra House, Wellington Street, Glasgow
J.D. Edwards (UK) Ltd	Computer software	Low risk	2.8%	Thames Valley Two, Thames Valley Park, Reading
Asda Stores Limited	Food retailer	Low risk	2.7%	Dane Street, Rochdale
Putnam Europe Ltd	Fund manager	Low risk	2.4%	Cassini House, London SW1
Odeon Cinemas Limited	Film distribution	Low risk	2.0%	Wimbledon Broadway, London SW19
Total			**40.1%**	

† Source: IPD. In calculating the covenant strength of the tenants, IPD takes account of the credit rating of the tenants.

5. Summary of tenure

As a percentage of the aggregate Market Value, 73.8 per cent. of the Initial Property Portfolio (excluding the Indirect Property Funds) is freehold (or heritable) title, 5.1 per cent. is long leasehold and 21.1 per cent. is part freehold (or heritable)/part long leasehold. The Valuer has undertaken a notional apportionment of the aggregate of the Market Values of the Properties categorised part freehold (or heritable)/part long leasehold between the freehold (or heritable) and long leasehold elements. On the basis of this apportionment, as a percentage of aggregate Market Value, 94.3 per cent. of the Initial Property Portfolio (excluding the Indirect Property Funds) is freehold (or heritable) title and 5.7 per cent. is long leasehold.

6. Lease length

The Properties in the Initial Property Portfolio have a total of 526 tenants. The length of the leases of the Properties can be summarised as follows:

Length of leases	As a percentage of current gross annual rent	
	Initial Property Portfolio	IPD TICCS
0 – 5 years	19.0	17.1
5 – 10 years	40.1	25.5
10 – 15 years	19.8	28.1
15 – 25 years	20.1	24.9
25+ years	1.0	4.4

The average lease length of the Properties is 10.3 years (weighted by current gross annual rent). This has been calculated on the earlier of the expiry date of the lease and the first break option. The equivalent figure for an average commercial property portfolio, as represented by IPD, is 10.7 years.

7. Lease expiration and break options

The occurrence of the earlier of lease expiries and break options (excluding leases within the Indirect Property Funds) can be summarised as follows:

Year of expiration or break option	No. of leases	Current gross annual rent	% of current gross annual rent	Cumulative % of current gross annual rent
2005	162	£1,994,985	4.0%	4.0%
2006	42	£1,846,020	3.7%	7.7%
2007	34	£2,334,093	4.7%	12.4%
2008	24	£1,747,880	3.5%	15.9%
2009	23	£1,624,620	3.2%	19.1%
2010	17	£1,866,674	3.7%	22.8%
2011	23	£2,732,360	5.4%	28.2%
2012	20	£7,665,157	15.3%	43.5%
2013	9	£1,121,921	2.2%	45.7%
2014	18	£6,729,215	13.4%	59.1%
2015	8	£1,243,892	2.5%	61.6%
2016	11	£788,700	1.6%	63.2%
2017	20	£4,154,563	8.3%	71.5%
2018	10	£1,252,538	2.5%	74.0%
2019	8	£2,482,932	4.9%	78.9%
2020	7	£2,353,930	4.7%	83.6%
2021	0	£0	0.0%	83.6%
2022	10	£4,423,795	8.8%	92.4%
2023	2	£457,600	0.9%	93.3%
2024	1	£160,448	0.3%	93.6%
2025	4	£1,085,822	2.2%	95.8%
2026	0	£0	0.0%	95.8%
2027	5	£1,620,855	3.2%	99.0%
2028	0	£0	0.0%	99.0%
2029	0	£0	0.0%	99.0%
2030+	26	£475,295	1.0%	100.0%

8. Voids

The voids in the Initial Property Portfolio (excluding the Indirect Property Funds) represent 2.7 per cent. of the Estimated Net Annual Rent of the Properties.

9. Covenants

The covenant strength of the tenants of the Properties and the Indirect Property Funds in the Initial Property Portfolio can be summarised as follows:

Covenant strength†	As a percentage of current gross annual rent	
	Initial Property Portfolio	IPD TICCS
Negligible and Government risk	44.7	48.0
Low risk*	24.4	20.0
Low-medium risk	13.0	14.0
Medium-high risk	13.1	11.0
High risk	4.8	7.0

† Source: IPD. In calculating the covenant strength of the tenants, IPD takes into account the credit rating of the tenants.

* The tenants in the Indirect Property Funds have been treated, in aggregate, as low risk.

IPD/Experian placed the Properties comprised in the Initial Property Portfolio 45th out of the 133 portfolios that are in the IPD TICCS as at 31 December 2004.

10. Lease terms

The leases of the Properties are in terms which could reasonably be expected for properties of the type comprised in the Initial Property Portfolio. Subject to the above and viewing the Initial Property Portfolio as a whole, the leases of the Properties in the Initial Property Portfolio are in general terms institutionally acceptable.

11. Property condition

Independent building surveys, mechanical and electrical surveys and environmental surveys have been undertaken for each of the Properties in the Initial Property Portfolio. These have been reviewed by the Investment Manager and it is considered that the condition of the Properties is acceptable having regard to the Properties' age, use, type and lease terms.

12. Regional weightings

The regional weightings of the Initial Property Portfolio (excluding the Indirect Property Funds) can be summarised as follows:

Region	As a percentage of market value	
	Initial Property Portfolio	IPD
City	0.7	6.1
Mid-Town	0.0	2.7
West End	30.4	9.2
Rest of London	0.0	13.9
South East	32.0	18.7
South West	0.0	5.6
Eastern	11.4	9.1
East Midlands	0.0	4.0
West Midlands	8.9	7.3
Yorks and Humber	1.5	4.6
North West	7.7	7.1
North East	0.0	2.6
Scotland	7.4	6.7
Wales	0.0	2.1
Northern Ireland	0.0	0.2
Other	0.0	0.1

13. Sectoral weightings

The sectoral weightings of the Initial Property Portfolio (including the Indirect Property Funds) can be summarised as follows:

Sector	As a percentage of market value	
	Initial Property Portfolio	IPD
Shopping centres	11.8	19.9
Retail warehouses	15.9	16.6
High street retail	19.1	15.2
Offices	36.9	29.0
Industrial	16.3	15.8
Other	0.0	3.5

14. Sub-sector weightings

The sub-sector weightings of the Initial Property Portfolio (including the Indirect Property Funds) can be summarised as follows:

Sector	As a percentage of market value	
	Initial Property Portfolio	IPD
Unit Shops – South East	15.9	7.7
Unit Shops – Rest of UK	3.2	7.5
Shopping Centres	11.8	19.9
Retail Warehouses	15.9	16.6
Offices – City	0.6	5.9
Offices – West End	15.2	7.4
Offices – South East	13.2	10.5
Offices – Rest of UK	7.9	5.2
Industrials – South East	9.1	9.1
Industrials – Rest of UK	7.2	6.7
Other	0.0	3.5

B. ACQUISITION OF THE INITIAL PROPERTY PORTFOLIO

The Company has entered into a conditional agreement with FPWP dated 4 March 2005. Under this agreement, the Company has agreed, conditional on admission of the New Ordinary Shares and the Bonds to the UKLA Official List and to trading on the London Stock Exchange, to acquire the Properties comprised in the Initial Property Portfolio other than the properties at Birchin Lane, London EC3, Conduit Street, London W1, Curzon Street, London W1, Regent Street, London SW1 and St Christopher's Place Estate, London W1. The aggregate consideration for these Properties is £665,475,000, adjusted to take into account accruals of rental income and charges already paid to or by FPWP. The consideration is satisfied by the payment of cash of £11,425,000, the discharge by the Company of certain liabilities of FPWP amounting to £315 million and the allotment to FPWP of 339,050,000 Ordinary Shares. FPWP is also entitled to a commission at the rate of one per cent. on the value at the Issue Price of the Ordinary Shares allotted to it. Completion of the acquisition of these Properties is expected to occur within five business days of Admission. Each party to the agreement is entitled to rescind the agreement in the event that the conditions are not satisfied by 30 April 2005.

The Company has entered into a conditional agreement with LCH dated 4 March 2005. Under this agreement the Company has agreed, conditional on admission of the New Ordinary Shares and the Bonds to the UKLA Official List and to trading on the London Stock Exchange, to acquire the Property at Birchin Lane, London EC3. The aggregate consideration for this Property is £5,150,000, adjusted to take into account accruals of rental income and charges already paid to or by LCH, plus deferred consideration of £3,500,000 in the event that certain of the units in this property are re-let by 31 December 2005. The consideration is satisfied by the allotment to LCH of 5,150,000 Ordinary Shares and adjustments are payable in cash. LCH is also entitled to a commission at the rate of one per cent. on the value at the Issue Price of the Ordinary Shares allotted to it. Completion of the acquisition of this Property is expected to occur within five business days of Admission. Each party to the agreement is entitled to rescind the agreement in the event that the conditions are not satisfied by 30 April 2005.

The Company has entered into a conditional agreement with SCP dated 4 March 2005. Under this agreement the Company has agreed, conditional on admission of the New Ordinary Shares and the Bonds to the UKLA Official List and to trading on the London Stock Exchange, to acquire the Properties at Conduit Street, London W1, Curzon Street, London W1, Regent Street, London SW1 and St Christopher's Place Estate, London W1. The aggregate consideration for these Properties is £120,800,000, adjusted to take into account accruals of rental income and charges already paid to or by SCP. The consideration is satisfied by the allotment to SCP of 120,800,000 Ordinary Shares and adjustments are payable in cash. SCP is also entitled to a commission at the rate of one per cent. of the value at the Issue Price of the Ordinary Shares allotted to it. Completion of the acquisition of these Properties is expected to occur within five business days of Admission. Each party to the agreement is entitled to rescind the agreement in the event that the conditions are not satisfied by 30 April 2005.

Shortly following acquisition of the Properties by the Company it is intended that the Properties will be transferred to the Property Subsidiary.

The Property Subsidiary has entered into a conditional agreement with FPWP dated 4 March 2005. Under this agreement, the Property Subsidiary has agreed, conditional on admission of the New Ordinary Shares and the Bonds to the UKLA Official List and to trading on the London Stock Exchange, to acquire the Indirect Property Funds comprised in the Initial Property Portfolio. The consideration for the Indirect Property Funds is £133,947,000 payable in cash. Completion of the acquisition of the Indirect Property Funds is expected to occur within five business days of Admission. Each party to the agreement is entitled to rescind the agreement in the event that the conditions are not satisfied by 30 April 2005.

The conditional agreements referred to above shall be available for inspection as described in paragraph 7 in Part 5 of this document.

Part 4

Valuation Report

DTZ Debenham Tie Leung
International Property Advisers

The Directors
F&C Commercial Property Trust Limited
and F&C Commercial Property Holdings Limited
Trafalgar Court
Les Banques
St. Peter Port
Guernsey GY1 3QL

Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

9 March 2005

Dear Sirs

VALUATION OF PROPERTY ASSETS TO BE ACQUIRED BY F&C COMMERCIAL PROPERTY TRUST LIMITED

1. Introduction

In accordance with our engagement letter dated 4 March 2005 with F&C Commercial Property Trust Limited (the "Company"), we, DTZ Debenham Tie Leung Limited, Chartered Surveyors, have considered the properties referred to in the attached schedule (the "Schedule"), in order to advise you of our opinion of the Market Value (as defined in paragraph 7.1 below) as at 2 February 2005 (the "Valuation Date") of the freehold or long leasehold interests (as appropriate) in each of the properties (the "Properties"). This report is dated 9 March 2005.

2. Inspections

We inspected the Properties during the six months prior to the Valuation Date. The Properties were inspected on an internal basis with the exception of parts of some of the Properties identified in the Schedule where we were unable to gain access.

3. Compliance with Appraisal and Valuation Standards and The Listing Rules

We confirm that the valuations have been made in accordance with the appropriate sections of both the current Practice Statements ("PS"), and United Kingdom Practice Statements ("UKPS") contained within the RICS Appraisal and Valuation Standards, 5th Edition (the "Red Book") as well as The Listing Rules published by the Financial Services Authority.

4. Status of valuer and conflicts of interest

We confirm that we have undertaken the valuations acting as External Valuers as defined in the Red Book, qualified for the purpose of the valuations.

As you are aware, we currently value 15 of the Properties on a quarterly basis on behalf of clients of F&C Property Asset Management plc (a subsidiary of F&C Asset Management plc). You are also aware that we have valued 11 of the Properties in the past on behalf of clients of F&C Asset Management plc. As part of these valuations we have also provided strategic investment advice in respect of the relevant properties. In addition, it is proposed that we will be appointed as External Valuer to the Company on a three year contract to undertake quarterly valuations of the Properties with effect from March 2005.

DTZ Debenham Tie Leung One Curzon Street London W1A 5PZ England
Telephone +44 (0)20 7408 1161 Fax +44 (0)20 7643 6000
Birmingham Bristol Cardiff Croydon Edinburgh Glasgow Leeds London Manchester Newcastle Nottingham Oxted Wetherby York
A list of directors' names is open to inspection at the above address
In international alliance with AEW Capital Management and the Staubach Company in the US
DTZ Debenham Tie Leung Limited Registered in England No 2757768 Registered office One Curzon Street London W1A 5PZ

As you are also aware, we are currently acting on behalf of F&C Property Asset Management plc in connection with various rent reviews at Cassini House, London SW1 and on behalf of one of the tenants in connection with a rent review at Alhambra House, Glasgow.

5. Purpose of the valuation report

We understand that this valuation report and Schedule (the "Valuation Report") are required, firstly, in connection with the acquisition of the Properties by the Company and, secondly, for inclusion in a prospectus concerning the proposed placing and offer of Ordinary Shares in the Company and, thirdly, for inclusion in an offering circular in connection with the offer of listed bonds by F&C Commercial Property Finance Limited.

We also understand that this Valuation Report will be relied upon by the Company, F&C Commercial Property Holdings Limited, F&C Commercial Property Finance Limited, Dickson Minto W.S., Sutherlands Limited, The Bank of New York (as trustee for the holders of the bonds to be issued by the Company and in its capacity as security trustee for various parties under financing arrangements), Royal Bank of Canada Europe Limited (in its capacity as joint book runner and liquidity facility provider) and HSBC Bank plc (in its capacity as joint book runner and liquidity facility provider).

The matters referred to above are collectively defined as the "Purpose of this Valuation Report".

In accordance with UKPS 5.4, we have made certain disclosures in connection with this valuation instruction and our relationship with F&C Property Asset Management plc. These are included in item 6 below.

6. Disclosures required under the provisions of UKPS 5.4

6.1 Previous valuations of the Properties for the Purpose of the Valuation Report

The Properties have not been valued previously by DTZ Debenham Tie Leung for the same purpose as the Purpose of this Valuation Report.

6.2 DTZ's relationship with client

DTZ Debenham Tie Leung Limited also valued those properties comprising the property portfolios of ISIS Property Trust Limited and ISIS Property Trust 2 Limited for a similar purpose to this report and currently undertakes quarterly valuations of the portfolios.

6.3 Fee income from F&C Property Asset Management plc

DTZ Debenham Tie Leung is a wholly owned subsidiary of DTZ Holdings plc (the "Group"). In the Group's financial year to 30 April 2004, the proportion of total fees payable by F&C Property Asset Management plc to the total fee income of the Group was less than 5 per cent. It is not anticipated that the total fees payable by F&C Property Asset Management plc will exceed 5 per cent. for the year to 30 April 2005.

7. Basis of valuation and net annual rent

7.1 Market Value

The value of each of the Properties has been assessed in accordance with the relevant parts of the current RICS Appraisal and Valuation Standards. In particular, we have assessed Market Value in accordance with PS 3.2. Under these provisions, the term "Market Value" means "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In undertaking our valuations on the basis of Market Value, we have applied the conceptual framework which has been settled by the International Valuation Standards Committee and which is included in PS 3.2. The RICS considers that the application of the Market Value definition provides the same result as Open Market Value, a basis of value supported by previous editions of the Red Book.

7.2 Net annual rent

The net annual rent ("Net Annual Rent") for each of the Properties is referred to in the Schedule. Net annual rent is defined in the Listing Rules as "the current income or income estimated by the valuer:

(i) ignoring any special receipts or deductions arising from the property;

(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".

The Schedule also includes the estimated net annual rent ("Estimated Net Annual Rent") of each of the Properties. The Estimated Net Annual Rent is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

7.3 Taxation and costs

We have not made any adjustments to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposals incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposals.

We have made deductions to reflect purchasers' acquisition costs.

Our investigations reveal that four of the Properties fall within an area designated as a disadvantaged area under The Stamp Duty (Disadvantaged Areas) (Application of Exemptions) Regulations 2003. As such these Properties are not subject to stamp duty on sale and our valuations reflect stamp duty at a zero rate. It should be noted that the stamp duty exemption on these properties could be liable for withdrawal at any time. The relevant properties are identified in the Schedule. Dickson Minto W.S. has confirmed that our identification of those properties is correct.

8. VAT

We have been advised by the Company's tax advisers, Ernst & Young LLP, that the option to tax has been exercised in respect of all the Properties with the exception of The Cowdray Centre, Colchester; 124/125 Princes Street, Edinburgh; 7 Birchin Lane, London EC3; 16 Conduit Street, London W1; 17A Curzon Street, London W1; 24/27 Great Pulteney Street, London W1 and Blocks A, D, E, G and H International Business Centre, Sunbury.

The capital valuations and rentals included in this Valuation Report are net of value added tax at the prevailing rate.

9. Assumptions and sources of information

An Assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("Assumption"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of Assumptions and have relied on certain sources of information. The Company has confirmed that we may make the Assumptions for the purposes of our valuations. In the event that any of these Assumptions prove to be incorrect, then our valuations should be reviewed. The Assumptions we have made for the purposes of our valuations are referred to below:

9.1 Title

We have not had access to the title deeds of the Properties. Save as disclosed in the certificates of title dated 9 March 2005 prepared by Dickson Minto W.S., Eversheds LLP and Walker Morris (the "Certificates of Title"), we have made an Assumption that the Properties have good and marketable freehold or leasehold title in each case and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. We have also assumed that the Properties are free from mortgages, charges or other encumbrances.

The Certificates of Title are dated 9 March 2005. However, we have only reflected the information contained within the Certificates of Title which is pertinent to our valuations as at the valuation date.

9.2 Condition of structure and services, deleterious materials, plant and machinery and goodwill

Due regard has been paid to the apparent state of repair and condition of each of the Properties, but we have not undertaken condition surveys, nor have we inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible. However, we have been provided with copies of condition surveys dated variously 7 or 10 January 2005, prepared by Malcolm Hollis on behalf of F&C Property Asset Management plc (the "Condition Surveys"). We have reflected the contents of the Condition Surveys in undertaking our valuations. We have made an Assumption that, save as disclosed in the Condition Surveys, the Properties are free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects.

We have not arranged for investigations to be made to determine whether high alumina cement concrete, calcium chloride additive or any other deleterious materials have been used in the construction or any alterations of any of the Properties. For the purposes of these valuations, unless otherwise informed by the Company or its advisers, we have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

No mining, geological or other investigations have been undertaken to certify that the sites of the Properties are free from any defect as to foundations. We have made an Assumption that the load bearing qualities of the sites of the Properties are sufficient to support the buildings constructed (or to be constructed) thereon. We have also made an Assumption that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of any of the Properties.

No tests have been carried out as to electrical, electronic, heating, plant and machinery, equipment or any other services nor have the drains been tested. However, we have been provided with copies of reports on the building services dated December 2004 prepared by FHP Engineering Services Solutions Limited on behalf of F&C Property Asset Management plc in respect of office and shopping centre Properties. We have reflected the contents of these reports in undertaking our valuations. We have made an Assumption that, save as disclosed in the reports, all services to the Properties are functioning satisfactorily.

No allowance has been made in these valuations for any items of plant or machinery not forming part of the service installations of the Properties. We have specifically excluded all items of plant, machinery and equipment installed wholly or primarily in connection with the occupants' businesses. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools. Further, no account has been taken in our valuations of any goodwill that may arise from the present occupation of any of the Properties.

It is a condition of DTZ Debenham Tie Leung Limited or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

9.3 Environmental matters

There is high voltage electrical supply equipment at or close to the Properties at Watchmoor Park, Camberley; Lion Walk Shopping Centre, Colchester; The Cowdray Centre, Colchester; Ozalid Works, Colchester; Nevis and Ness Houses, Edinburgh; Alhambra House, Glasgow; 84 Ecclestone Square, London SW1; Charles House, London SW1; Cassini House, London SW1; 16 Conduit Street, London W1; St Christopher's Place, London W1; 24/27 Great Pulteney Street, London W1; 82 King Street, Manchester; Newbury Retail Park, Newbury; Thames Valley One, Reading; Colorado House, Reading; Dane Street, Rochdale and International Business Centre, Sunbury. The possible effects of electromagnetic fields have been the subject of media coverage. The National Radiological Protection Board (NRPB), an independent body with responsibility for advising on electromagnetic fields, has advised that, following studies in 2000 and 2001, there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the affected Properties.

We have made enquiries of the relevant Environmental Health Officer in order, so far as reasonably possible, to establish the potential existence of contamination arising out of previous or present uses of the sites of the Properties and any adjoining sites. We have also inspected the website of the Environment Agency. We have also been provided with copies of environmental reports dated 7 January 2005 prepared by Watts & Partners on behalf of F&C Asset Management plc (the "Environmental Reports").

With the exception of that part of the property known as The Ozalid Works, Colchester comprising the derelict warehouse, our enquiries, inspections and the Environmental Reports have provided no evidence that there is a significant risk of contamination in respect of any of the Properties. Accordingly, you have instructed us to make an Assumption that, with the exception of the derelict warehouse at The Ozalid Works, no contamination or other adverse environmental matters exist in relation to the Properties sufficient to affect value. Other than as referred to above, we have not made any investigations into past or present uses, either of the Properties or any neighbouring land to establish whether there is any contamination or potential for contamination to the Properties. Commensurate with our Assumptions set out above, with the exception of the derelict warehouse at The Ozalid Works, we have made no allowance in these valuations for any effect in respect of actual or potential contamination of land or buildings. A purchaser in the market might, in practice, undertake further investigations than those undertaken. If it is subsequently established that contamination exists at any of the Properties, or on any neighbouring land, or that any of the premises have been, or are being, put to any contaminative use then this might reduce the values now reported.

We have been advised by F&C Property Asset Management plc that there are contamination issues in respect of that part of the property known as The Ozalid Works, Colchester, which comprises the derelict warehouse. We have been provided by F&C Property Asset Management plc with estimates of the cost of demolishing the property and remediating the contamination on the site to the standard necessary to comply with statutory requirements in connection with a proposed redevelopment of the site. We have made an allowance in our valuation to reflect the estimated costs of treatment of the contamination as supplied by F&C Property Asset Management plc and have made an Assumption that the information and opinions referred to above are complete and correct and that further investigations would not reveal more information sufficient to affect value. We consider that this Assumption is reasonable in the circumstances.

9.4 Areas

We have measured certain of the Properties, or parts of Properties, on site and have calculated the floor areas in accordance with the current Code of Measuring Practice prepared by the Royal Institution of Chartered Surveyors (the "Code").

F&C Property Asset Management plc has provided us with the floor areas of the remaining properties or parts thereof. As instructed, we have relied on these areas and have made an Assumption that they have been calculated in accordance with the Code.

9.5 Statutory requirements and planning

Verbal or written enquiries have been made of the relevant planning authority in whose area each of the Properties lies as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values but have not received a response in every case. In those instances where we have not received replies to our enquiries, we have made the Assumption that any reply would not have an impact on the value of the relevant Property. In all instances, we have read the Certificates of Title, which refer to planning matters.

We have made an Assumption that, save as disclosed in the Certificates of Title, the buildings have been constructed in full compliance with valid town planning and building regulations approvals, that where necessary they have the benefit of current Fire Certificates, and that the Properties are not subject to any outstanding statutory notices as to their construction, use or occupation. Unless the Certificates of Title have revealed the contrary, we have made a further Assumption that the existing uses of the Properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

No allowances have been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and, save as disclosed in the Certificates of Title, we have made an Assumption that the Properties comply with all relevant statutory requirements.

9.6 Leasing

We have read copies of headleases. We have not read copies of the occupational leases or other related documents but, with the exception of the residential accommodation at St Christopher's Place, have relied on the tenancy summaries contained in the Certificates of Title for the purposes of our valuations. In the case of the residential accommodation at St Christopher's Place, we have relied on information provided by F&C Property Asset Management plc.

We have not undertaken investigations into the financial strength of the tenants. Unless we have become aware by general knowledge, or we have been specifically advised to the contrary, we have made an Assumption that the tenants are financially in a position to meet their obligations. Unless otherwise informed by F&C Property Asset Management plc, we have also made an Assumption that there are no material arrears of rent or service charges, breaches of covenants, or current or anticipated tenant disputes.

However, our valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness.

We have also made an Assumption that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits.

9.7 Information

In undertaking our valuations, we have relied on information and advice supplied by F&C Property Asset Management plc in respect of outstanding costs or retentions where works have been completed or are ongoing. We have relied on information and advice supplied by F&C Property Asset Management plc in respect of costs by way of planning obligations affecting the Properties either as a result of development that has occurred or in respect of future planning obligations in the case of development which may occur in the future. Similarly, we have relied on information and advice supplied by F&C Property Asset Management plc relating to future development costs and the likely irrecoverable cost of works and repairs to defects revealed by the various Condition Surveys. In each case, we have reflected this advice in our valuations.

We have made an Assumption that the information F&C Property Asset Management plc and its professional advisers have supplied to us in respect of the Properties is both full and correct. It follows that we have made an Assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

10. Valuation

We are of the opinion that the aggregate of the Market Values as at the Valuation Date, being 2 February 2005, of the freehold or leasehold interests in each of the Properties described in the Schedule, subject to the Assumptions and comments in this Valuation Report, was as follows:

Freehold	£584,225,000	(Five hundred and eighty four million, two hundred and twenty five thousand pounds)
Part Freehold/ Part Long Leasehold	£166, 775,000	(One hundred and sixty six million, seven hundred and seventy five thousand pounds)
Long Leasehold	£40,425,000	(Forty million, four hundred and twenty five thousand pounds)
TOTAL	**£791,425,000**	**(Seven hundred and ninety one million, four hundred and twenty five thousand pounds)**

Some of the properties we have valued are part freehold and part long leasehold. We have undertaken a notional apportionment of the aggregate of the Market Values of these properties between the freehold and long leasehold elements as follows:

Part Freehold/Part Long Leasehold Properties

Freehold	£161,735,000	(One hundred and sixty one million, seven hundred and thirty five thousand pounds)
Long Leasehold	£5,040,000	(Five million and forty thousand pounds)

11. Confidentiality and disclosure

The contents of this Valuation Report and Schedule may be used only for the Purpose of this Valuation Report. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained. For the avoidance of doubt such approval is required whether or not DTZ Debenham Tie Leung Limited are referred to by name and whether or not the contents of our Valuation Report are combined with others.

Yours faithfully

G C RUSHMORE BSc FRICS
Director
For and on behalf of
DTZ Debenham Tie Leung Limited

Schedule to the Valuation Report prepared by DTZ Debenham Tie Leung Limited

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
Watchmoor Park, Camberley	The property comprises three office buildings. Buildings A & B are arranged over ground, first and second floors. Building C is arranged over ground and three upper floors. The property has a total floor area of approximately 6,052 sq m (65,154 sq ft) and was constructed in the late 1990s. Freehold.	Let on three separate full repairing and insuring leases; one lease expires in October 2016 and the other two expire in February and July 2017. The leases are respectively subject to rent reviews in October 2006, February and July 2007 and five yearly thereafter. Building A has a tenant's option to determine in October 2011. Buildings B & C are subject to tenants' options to determine in February and July 2012.	£2,875,500	£2,349,500	£36,950,000
Affinity Point, Glebeland Road, Camberley	The property comprises a warehouse unit with adjoining office accommodation. The property has a total floor area of approximately 5,314 sq m (57,200 sq ft) and was built in 2003. Freehold.	Let on a single full repairing and insuring lease to Lansing Linde South East Ltd on a lease expiring in September 2023. The lease is subject to rent review in 2008 and five yearly thereafter.	£457,600	£457,600	£6,650,000
Lion Walk Shopping Centre, Colchester	The property comprises an uncovered, pedestrianised shopping precinct including two large stores, 43 retail units and offices at first and second floors within Lisle House (located above Red Lion Yard) and Aida House (located above Culver Street East). The property was built in the early 1970s and has a total floor area of approximately 18,863 sq m (201,100 sq ft). Part freehold and part leasehold under three separate leases. Red Lion Yard and Lisle House are freehold; the rest of the property is held leasehold as described below. 8-11 Culver Walk leasehold for a term expiring in March 2104, paying 25% of rents received (or ERV of vacant parts) reviews annually in September. 11-14 Lion Walk leasehold for a term expiring in March 2102, paying 20% of net rents received, subject to a minimum of £15,000 per annum. Remainder leasehold for a term expiring in March 2102 at a fixed rent of £1 per annum.	The property is let to various tenants on a mixture of lease lengths. There are 51 commercial leases in total. Approximately 51% of the net annual rent is secured on unexpired lease terms of over 8 years; 36% of the net annual rent is secured on unexpired lease terms of between 10 years and 15 years and 12% of the net annual rent is secured on unexpired lease terms of in excess of 15 years. Approximately 99% of the net annual rent is secured on retail and 1% is secured on offices.	£4,220,955	£4,560,264	£69,500,000

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
The Cowdray Centre, Cowdray Avenue, Colchester	The property comprises a single retail warehouse and an estate of 14 high office content and traditional industrial units. The property has a total floor area of approximately 18,020 sq m (193,970 sq ft) and was built in the early 1980s. Freehold.	The retail warehouse unit is let until 2009 and is subject to an outstanding rent review from June 2004. The industrial units are let on 13 separate leases of which one expires in each of 2005, 2007 and 2008, two expire in 2009, two expire in 2010, four expire in 2012 and two expire in 2017. One of the leases expiring in 2012 is subject to a tenant's option to determine in 2007. Ten of the leases are subject to five yearly rent reviews. Six units are subject to outstanding rent reviews: two from 2000, one from September 2003 and three from September 2004. All the leases are on effective full repairing and insuring terms. One industrial unit is vacant.	£1,153,288	£1,186,200	£15,440,000
Ozalid Works, Cowdray Avenue, Colchester	The property comprises a complex of mainly single storey industrial buildings and a two storey office block providing over 150 separate units. The property has a total floor area of approximately 14,914 sq m (160,530 sq ft). The buildings were constructed in the 1930s and 1950s and have subsequently been extended at various times. We were unable to gain access to all of the smaller units. In addition, adjacent to the industrial complex, there is a derelict warehouse on a site comprising 4.06 acres (1.64 hectares) which is subject to a resolution to grant planning permission for a retail warehouse of up to about 7,432 sq m (80,000 sq ft) subject to a s.106 agreement in respect of highway works. Freehold.	The property is let to various tenants on a mixture of lease lengths. The majority of the net annual rent is short term and approximately 67% is subject to leases which are holding over or which could expire during 2005. Approximately 26% of the net annual rent is secured on leases expiring between 2006 and 2009 and about 7% of the net annual rent is subject to leases expiring in 2011. Approximately 4,924 sq m (53,000 sq ft) of the accommodation within the industrial complex is vacant. The derelict warehouse and the site are both vacant. Many of the smaller units are let on tenancy agreements which are on internal repairing terms only.	£270,557	£352,634**	£5,300,000

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
124/125 Princes Street, Edinburgh	The property comprises the basement, ground and six upper floors of a terraced block. The basement, ground and mezzanine floors are in retail use; the upper floors are in office use. There is parking for 16 cars at first floor level. The property was constructed around 1970 and has a total floor area of approximately 3,519 sq m (37,879 sq ft). Heritable title (Scottish freehold).	The retail unit is let on a full repairing and insuring lease expiring in December 2008. The offices are let on six full repairing and insuring leases of which two expire in 2008, three expire in 2009 and one expires in 2010. Four of the office leases are subject to five yearly rent reviews; of these, one lease is subject to an outstanding rent review effective in November 2003, one in May 2004 and two leases are subject to outstanding rent reviews effective as at December 2004.	£1,119,440	£1,087,155	£17,670,000
Nevis & Ness Houses, Edinburgh Park, Edinburgh	The property comprises two interconnecting office blocks with two separate two storey entrances and separate service cores providing accommodation over ground, first and second floor levels. The property was completed in the mid 1990s and has a total floor area of approximately 3,907 sq m (42,056 sq ft). Externally, there is parking for approximately 200 cars. Heritable title (Scottish freehold).	Let on two full repairing and insuring leases to HSBC Bank plc, both of which expire in June 2017. Both leases are subject to rent reviews in July 2007 and five yearly thereafter.	£913,050	£823,500	£13,600,000
Alhambra House, 45 Waterloo Street, Glasgow	The property comprises a modern office building, constructed in the late 1990s, arranged over seven floors. The building has a total floor area of approximately 8,877 sq m (95,555 sq ft). Heritable title (Scottish freehold).	The offices are let on four full repairing and insuring leases. Two leases expire in each of 2014 and 2015. One of the leases expiring in 2014 is subject to a tenant's option to determine in 2011; one of the leases expiring in 2015 is subject to a tenant's option to determine in 2010. All the leases are subject to five yearly rent reviews. The two leases expiring in 2014 are subject to outstanding rent reviews as at September and December 2004 respectively. There is a substation let until 2058 at £1 per annum.	£1,124,340	£1,991,180	£26,950,000

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
27-28 Commercial Street, Leeds	A retail unit built behind behind a period façade in 1999, arranged to provide retail sales accommodation on basement, ground and first floor levels with second floor stores and staff facilities. The building has a total floor area of approximately 1,019 sq m (10,971 sq ft). Freehold. A showcase on the eastern elevation is held long leasehold for a term expiring in August 2102. The current rent is £580.00 per annum. The rent is subject to review in September 2005 and 7 yearly thereafter and is geared to percentage increases in rents within Trinity Street Arcade. The property falls within an area designated as a disadvantaged area for the purposes of stamp duty. We were unable to gain access to a basement storage area.	Let on a single full repairing and insuring lease to Etam Plc expiring in October 2019. The lease is subject to a rent review in October 2004 (outstanding) and five yearly thereafter.	£339,420	£542,120	£10,650,000
40-42 Albion Street, Leeds	A retail unit, refurbished in 2000, arranged to provide a ground floor retail sales area and store together with first floor office and second floor stores and staff facilities. The building has a total floor area of approximately 137 sq m (1,471 sq ft). Freehold. The property falls within an area designated as a disadvantaged area for the purposes of stamp duty.	Let on a single full repairing and insuring lease to First Choice Holidays plc expiring in November 2019. The lease is subject to a rent review in November 2004 (outstanding) and five yearly thereafter.	£87,500	£92,230	£1,650,000

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
Cassini House, St James's Street, London SW1	The property comprises a modern office building, completed in 1999, arranged on lower ground, ground and six upper floors, with part of the sixth floor accommodating two residential flats. There is parking for ten cars. The building has a total floor area of approximately 4,632 sq m (49,843 sq ft). Freehold.	The offices are subject to eight full repairing and insuring leases of which one expires in 2014 and the other seven expire in 2017. The lease expiring in 2014 is subject to a tenant's option to determine in 2009; one of the leases expiring in 2017 is subject to a tenant's option to determine in 2007. All the leases are subject to five yearly rent reviews. Both of the residential flats are vacant. Of the leases expiring in 2017, two are subject to outstanding rent reviews as at July 2004 and four are subject to outstanding rent reviews as at October 2004.	£2,611,173	£2,631,810	£47,400,000
24/27 Great Pulteney Street, London W1	The property is a mixed use building constructed in the mid-1960s, with a total floor area of approximately 2,005 sq m (21,604 sq ft). It comprises a showroom on the ground floor, offices on the first to fourth floors and residential on the fifth and sixth floors. There is parking for 13 cars and storage at basement level. Freehold.	Let on a single full repairing and insuring lease expiring in September 2006. There are no further rent reviews.	£800,050	£759,500	£10,675,000
St Christopher's Place, London W1	The property comprises a number of separate buildings in retail, restaurant, office and residential use, which together form the St Christopher's Place Estate. The buildings have frontages to James Street, Wigmore Street, Oxford Street, Barrett Street, Gees Court and St Christopher's Place. The Estate has a total floor area of approximately 9,940 sq m (107,000 sq ft) of accommodation. The buildings generally date from the 19th century. Freehold and part leasehold (125 years from 1998 at a peppercorn).	The estate is let to various tenants on a mixture of lease lengths. There are 97 commercial leases in total. Approximately 58% of the net annual rent is secured on unexpired lease terms of over 8 years; approximately 26% of the net annual rent is secured on unexpired lease terms of between 10 years and 15 years and 14% of the net annual rent is secured on unexpired lease terms in excess of 15 years. Approximately 21% of the commercial net annual rent is secured on offices; approximately 32% of the commercial net annual rent is secured on restaurants and bars; approximately 45% of the commercial net annual rent is secured on retail and 2% is secured on other uses.	£4,964,839	£5,126,090	£86,625,000

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
7 Birchin Lane, London EC3	The building originates from around 1900 and comprises a terraced office building arranged over lower ground, ground and eight upper floors. There is a small annexe at the rear of the property. The property has a total floor area of approximately 2,065 sq m (22,275 sq ft). Freehold.	The offices are subject to six full repairing and insuring leases, one of which expires in 2006, two expire in 2007, one expires in 2008 and two expire in 2012. The lease expiring in 2008 is subject to a tenant's option to determine in 2006. The leases expiring in 2012 are subject to tenants' options to determine in 2007 and are subject to five yearly rent reviews.	£733,937	£458,840	£5,150,000
17A Curzon Street, London W1	The property originates from the late 1950s and comprises an office building arranged over lower ground, ground and six upper floors. There is parking for five cars in the basement. The property has a total floor area of approximately 1,006 sq m (10,825 sq ft). Freehold.	The offices are let on seven full repairing and insuring leases of which three expire in 2008, one expires in each of 2009 and 2010 and two expire in 2011. All the leases are subject to five yearly rent reviews; there are four reviews outstanding, three of which are effective in 2003 and one effective in 2004.	£426,800	£451,150	£7,200,000
16 Conduit Street, London W1	The property was originally constructed in the late 19th century and is arranged over basement, ground and four upper floors. It provides retail accommodation at ground and first floor levels together with basement storage and ancillary offices at second floor level. The third and fourth floors comprise two self contained residential units. The total floor area is approximately 473 sq m (5,088 sq ft). Leasehold until 3912 at £27.52 per annum fixed.	The property is let to Mandarina Duck (UK) Ltd on a single full repairing and insuring lease expiring in June 2020. The rent is subject to review in June 2005 and five yearly thereafter.	£174,972	£184,972	£3,150,000
385/389 Oxford Street, London W1	A retail property arranged over basement and ground floors with self contained offices on four upper floors, constructed behind a Victorian façade. The total floor area is approximately 730 sq m (7,858sq ft). Leasehold until 2151 at a peppercorn. We were unable to gain access to a store room on the first floor.	Let on a single full repairing and insuring lease to Boots the Chemists Limited until September 2011 with a rent review in September 2006.	£725,000	£750,000	£13,450,000

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
2-4 King Street, London SW1	The property comprises a mixed use building on basement, ground and four upper floors constructed in the early 20th century. The ground floor is used as a gallery; the upper floors are in office use. The property has a total floor area of approximately 1,255 sq m (13,514 sq ft). Freehold.	The property is subject to four full repairing and insuring leases, two each expiring in 2009 and 2011. One of the leases expiring in 2011 is subject to a tenant's rolling option to determine on six months' notice. The first, third and fourth floors and part of the basement are currently vacant and are being refurbished.	£200,361	£448,361	£6,160,000
Charles House, 5/11 Regent Street, London SW1	A building comprising offices on part ground, part basement and seven upper floors and retail units on part ground floor, with ancillary basement accommodation, constructed behind a Regency façade. The total floor area is approximately 4,029 sq m (43,371 sq ft). Leasehold until 2119 at a rent based on 10% of the rent received subject to a minimum base rent. The base rent is currently £183,595 pa and is subject to five yearly upward only rent reviews to 10% of the average rent receivable over the preceding five year period.	The offices are let on ten full repairing and insuring leases of which three expire in 2007, one expires in 2008, four expire in 2014 and two expire in 2015. The lease expiring in 2008 is subject to a tenant's option to determine in 2006; two of the leases expiring in 2015 are subject to tenants' options to determine in 2005. Seven of the leases are subject to five yearly rent reviews. The retail units are subject to three leases on full repairing and insuring terms one of which expires in each of 2007, 2012 and 2016. Two of the leases are subject to five yearly rent reviews. Ancillary storage areas are let to existing office tenants under two leases expiring in 2005 and 2014, the latter with a tenant's rolling option to determine.	£1,777,790	£1,177,105	£23,825,000
84 Eccleston Square, London SW1	The property comprises a modern office building constructed behind a Georgian façade in 1989, arranged over lower ground, ground and six upper floors. There is parking for 42 cars at basement level and at the rear of the property. The property has total floor area of approximately 6,212 sq m (66,868 sq ft). Freehold.	The offices are let on two full repairing and insuring leases both expiring in March 2014. Both leases are subject to five yearly rent reviews with the March 2004 reviews outstanding. There are 34 vacant car parking spaces. There is a substation let until 2088 at a nil rent.	£3,121,500	£2,519,500	£42,165,000

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
39/59 The Broadway and 1/11 Victoria Crescent, Wimbledon, London SW19	A retail and leisure development constructed in 2002 comprising a supermarket, gym, multiplex cinema, five retail shops and two restaurants. The total floor area is approximately 16,692 sq m (179,668 sq ft). Freehold.	The supermarket is let to Safeway Stores plc on two leases expiring in 2020, with rent reviews in 2005 and five yearly thereafter. The gym is let to Cannons Health and Fitness Ltd until 2027 with rent reviews in 2007 and five yearly thereafter. The cinema is let to Odeon Cinemas Limited until 2027 with annual fixed uplifts until 2007 and five yearly rent reviews thereafter. The retail units are let on leases expiring in 2016, 2017 and 2019; the restaurant units are let on leases expiring in 2027. The leases of the retail and restaurant units are all subject to five yearly rent reviews. All the leases are on full repairing and insuring terms.	£2,730,991	£3,245,000	£46,860,000
82 King Street, Manchester	The property comprises an office building with original accommodation on ground, first and second floors that is Grade I listed and additional accommodation, completed in the late 1990s, on two basement levels, ground and thirteen upper floors. The two basement levels provide 33 car parking spaces. There are four ground floor units occupied for retail use. The total floor area is approximately 7,797 sq m (83,923 sq ft). Freehold. The property falls within an area designated as a disadvantaged area for the purposes of stamp duty. We were unable to gain access to various meeting rooms.	The offices are let on 12 full repairing and insuring leases of which one expires in each of 2005, 2007 and 2012, two expire in each of 2014 and 2015, three expire in 2017 and one expires in each of 2018 and 2023. The leases expiring in 2012 and 2014 are subject to tenants' options to determine in 2009; one of the leases expiring in 2015 is subject to a tenant's option to determine in 2010; two of the leases expiring in 2017 are subject to tenants' options to determine in 2007 and the third in 2012; the leases expiring in 2018 and 2023 are subject to tenants' options to determine in 2008 and 2013 respectively. The retail units are subject to four full repairing and insuring leases, three of which expire in 2011 and the fourth in 2012. With the exception of the two shortest office leases, all the leases are subject to five yearly rent reviews.	£1,961,397	£2,167,910	£32,400,000

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
Newbury Retail Park, Pinchington Lane, Newbury	A retail park comprising ten retail warehouse and two restaurants. The property has a total floor area of approximately 12,044 sq m (129,640 sq ft). In addition, there is an adjacent site comprising 2.357 acres (0.954 hectares) which has planning permission for four retail warehouse units totalling 3,716 sq m (40,000 sq ft). The retail park was developed in the 1990s. Freehold.	The retail park is let on 12 full repairing and insuring leases of which one expires in 2015, two expire in 2018, eight expire in 2022 and one expires in 2024. All the leases are subject to five yearly rent reviews. The site is currently vacant. One of the four proposed retail warehouse units to be built on the site is subject to an agreement for lease.	£2,266,423	£2,384,880	£47,850,000
Thames Valley One, Thames Valley Park, Reading	The property comprises an office building arranged over ground, first and second floors. It is split into two separate wings, separated by a central service core. The total floor area is approximately 6,809 sq m (73,920 sq ft) and the property was completed in the 1990s. Freehold.	Let on a single full repairing and insuring lease to Fujitsu Services Ltd expiring in March 2012. The lease is subject to a rent review in March 2007.	£2,055,000	£1,660,000	£25,075,000
Colorado House, Thames Valley Two, Thames Valley Park, Reading	The property comprises an office building arranged over ground, first and second floors. It is split into two separate wings, separated by a central service core. The total floor area is approximately 5,200 sq m (55,970 sq ft) and the property was completed in the 1990s. Freehold.	Let on a single full repairing and insuring lease to Peoplesoft (UK) Ltd expiring in September 2012. The lease is subject to a rent review in September 2007.	£1,400,000	£1,250,000	£17,950,000
Dane Street, Rochdale	The property comprises a retail warehouse unit and a supermarket. There are associated car parking, service facilities and a petrol filling station. The total floor area comprises approximately 9,270 sq m (99,783 sq ft) and the property was completed in the late 1990s. Freehold. The property falls within an area designated as a disadvantaged area for the purposes of stamp duty.	Let on two full repairing and insuring leases to Asda Stores Ltd and DSG Retail Ltd, both expiring in March 2022. The lease to Asda includes the petrol filling station and is subject to a tenant's option to determine in March 2020. Both leases are subject to rent reviews in March 2007, 2012 and 2017.	£1,526,000	£1,606,500	£28,800,000

Address	Description, Age and Tenure	Terms of Existing Tenancies*	Net Annual Rent	Estimated Net Annual Rent	Market Value
Sears Retail Park, Marshall Lake Road/ Oakenshaw Road, Solihull	The property comprises a terrace of five retail warehouse units and one detached retail warehouse unit. The terrace was built in the early 1990s; the detached unit was constructed at a similar date but has been substantially refurbished within the last five years. The property has a total floor area of approximately 11,798 sq m (126,999 sq ft). Freehold. We were unable to gain access to parts of unit 3.	The property is let on six full repairing and insuring leases of which one expires in each of 2014 and 2018, three expire in 2019 and one expires in 2025. All the leases are subject to five yearly rent reviews. One of the leases expiring in 2019 is subject to an outstanding rent review effective in 2004.	£3,389,088	£3,939,408	£70,720,000
Units 1 & 2 Strategic Park, Upper Northam Road, Hedge End, Southampton	An industrial property built in the mid 1990s comprising two buildings with a total floor area of approximately 11,641 sq m (125,305 sq ft). The buildings comprise warehouse and production space with 10% ancillary offices in Unit 1 and nearly 50% in Unit 2. Freehold.	The units are each held under a legally binding agreement for lease to News International plc. The leases attached to the agreement for lease contain full repairing and insuring terms, expiring in June 2012, subject to five yearly rent reviews. The rent reviews effective as at June 2002 are outstanding.	£767,082	£761,374	£10,300,000
International Business Centre, Sunbury on Thames	The property comprises six separate office and warehouse buildings situated within a large estate. The total floor area is approximately 13,955 sq m (150,216 sq ft) and the property was constructed in the 1980s. Blocks A, D and E comprise industrial accommodation. Blocks F, G and H comprise offices. Freehold. We were unable to gain access to unit A12, unit E2 and Block H.	The property is subject to nine leases of which two expire in 2005, one expires in 2009, three expire in 2010, two expire in 2013 and one expires in 2024 (subject to a tenant's option to determine in 2014). The leases are all on full repairing and insuring terms. Seven of the leases are subject to five yearly rent reviews; there are four outstanding rent reviews effective as at September and December 2003 and August and December 2004. One warehouse unit and two office suites in block G are vacant.	£1,472,930	£1,624,800	£18,760,000
3, The Square, Stockley Park, Uxbridge, Middlesex	A modern office building arranged on ground and three upper floors with associated car parking. The property was constructed in the mid 1990s and has a total floor area of approximately 8,621 sq m (92,800 sq ft). Freehold.	Let on a single full repairing and insuring lease to Centrica Limited for a term expiring in March 2022. The lease is subject to rent review in March 2007 and five yearly thereafter.	£2,700,000	£2,285,000	£42,550,000
Totals			**£48,366,983**	**£48,874,583**	**£791,425,000**

*All rent reviews are upwards only.
** Excludes derelict warehouse and site.

Part 5

General Information

1. Incorporation and general

1.1 The Company is a closed-ended investment company and was incorporated with limited liability in Guernsey under the Law with registered number 42737 on 21 January 2005. The Company operates under the Law and ordinances and regulations made under the Law and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL.

1.2 Clause 3 of the Memorandum of Association of the Company provides that the objects of the Company include carrying on the business of an investment company. The Memorandum of Association of the Company is available for inspection at the addresses specified in paragraph 7 below.

1.3 The Property Subsidiary was incorporated with limited liability in Guernsey under the Law with registered number 42736 on 21 January 2005 and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL. The Property Subsidiary is a wholly owned subsidiary of the Company.

2. Share capital

2.1 The authorised share capital and the issued share capital of the Company (all of which will be fully paid-up) as at the date of this document and immediately following the Issue and the acquisition of the Initial Property Portfolio will be as follows:

	Authorised		*Issued*	
	No. of Ordinary Shares	*nominal*	*No. of Ordinary Shares*	*nominal*
As at the date of this document				
Ordinary Shares	1,000 million	£900 million	2	£1.80
Immediately following the Issue and the acquisition of the Initial Property Portfolio				
Ordinary Shares	1,000 million	£900 million	735 million	£661.5 million

2.2 The Company was incorporated with an authorised share capital of £900 million divided into 1,000 million Ordinary Shares of 90p each. At incorporation, two Ordinary Shares were subscribed for, nil paid, by the subscribers to the Memorandum of Association. These two shares will be made available, fully paid, under the Issue.

2.3 By way of a special resolution passed by written resolution dated 21 February 2005, it was resolved that, conditional on the Placing and Offer becoming unconditional and the approval of the Court in Guernsey, the amount standing to the credit of the share premium account of the Company following completion of the Issue and the issue of the FP Shares (less any issue expenses set off against the share premium account) be cancelled and the amount of the share premium account so cancelled be credited as a distributable reserve to be established in the books of account which shall be able to be applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Law) are able to be applied, including the purchase of the Company's own shares and the payment of dividends. In deciding whether to give its confirmation, the Court will be concerned to protect the interests of any creditors of the Company at the date the reduction takes effect. The Court will require all such creditors to have been paid or to have consented to the reduction. The Company is recently incorporated and its creditors will principally consist of its advisers and the Bond Issuer. The Bond Issuer has confirmed that it will consent to the proposed cancellation. Until the Court has confirmed the reduction of the share premium account (and the terms of any undertaking regarding creditors required by the Court have been complied with), the Company will only be able to distribute dividends out of existing distributable profits and, to the extent permitted by The Companies (Purchase of Own Shares) Ordinance, 1998, to repurchase Ordinary Shares out of existing distributable profits, the proceeds of a fresh issue of shares or capital reserves.

2.4 Save pursuant to the Issue and the subscription of the two Ordinary Shares referred to above, since the date of incorporation no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.

2.5 There are no provisions of Guernsey law which confer rights of pre-emption upon the issue or sale of any class of shares in the Company.

2.6 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

2.7 It is expected that the New Ordinary Shares and the FP Shares will be issued pursuant to resolutions of the Board of Directors on 17 and 23 March 2005 respectively conditional upon admission of those shares to the UKLA Official List and to trading on the London Stock Exchange.

2.8 The Ordinary Shares will be in registered form and shares will be capable of being issued or settled through CREST. It is expected that definitive certificates, if applicable, will be posted to allottees by 1 April 2005. Temporary documents of title will not be issued.

2.9 Each Ordinary Share will be issued at a premium of 10p to the nominal value of 90p per share.

2.10 Following the Issue and the acquisition of the Initial Property Portfolio the authorised but unissued share capital of the Company will be £238.5 million comprising 265 million Ordinary Shares.

2.11 The Property Subsidiary has an authorised share capital of £10,000 divided into 1,000,000 ordinary shares of 1p each, of which two shares are issued and fully paid and held by the Company.

3. Articles of Association of the Company

The Articles of Association of the Company contain provisions, *inter alia*, to the following effect.

3.1 *Votes of members*

Subject to the restrictions referred to below and subject to any special rights or restrictions for the time being attached to any class of shares, every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every share held by him.

3.2 *Dividends*

(i) The Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors who may, for the purposes of determining such amount, disregard any realised or unrealised losses in respect of the valuation or realisation of any property portfolio assets that are accounted for in the income of the Company under the accounting standards approved by the Board in accordance with paragraph (ii) below.

(ii) No dividend shall be paid other than out of the income of the Company as recognised by International Financial Reporting Standards or such other accounting standards as may from time to time be adopted by the Directors provided always that all monies realised on the sale or other realisation of any capital assets in excess of book value and all other monies in the nature of accretion to capital shall not be treated as profits available for dividend but subject as otherwise provided by the Articles may be used by the Company for the purchase of its own shares.

(iii) The Directors may, if they think fit, at any time declare and pay such interim dividends as appear to be justified by the position of the Company.

(iv) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. No dividend shall bear interest against the Company. Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

(v) The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to distribute by dividend.

3.3 *Issue of shares*

(i) Subject to the provisions of the Articles and without prejudice to any special rights conferred on the holders of any class of shares, any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions whether in regard to dividend, return of capital, voting or otherwise as the Company may from time to time by ordinary resolution determine and, subject to and in default of such resolution, as the Board may determine.

(ii) Subject to the Articles, the unissued shares shall be at the disposal of the Directors, and they may allot, grant options over or otherwise dispose of them to such persons, at such times and generally on such terms and conditions as they determine.

(iii) The Company may on any issue of shares pay such commission as may be fixed by the Board and disclosed in accordance with the Law. The Company may also pay brokerages.

3.4 *Variation of rights*

If at any time the capital of the Company is divided into separate classes of share, the rights attached to any class of shares may (unless otherwise provided by the terms of issue) be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons holding or representing by proxy at least one third of the issued shares of the class. Every holder of shares of the class concerned shall be entitled at such meeting to one vote for every share of that class held by him on a poll. The special rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not be deemed to be varied by the creation of or issue of further shares ranking *pari passu* therewith or the exercise of any power under the disclosure provisions requiring shareholders to disclose an interest in the Company's shares as set out in the Articles.

3.5 *Restriction on voting*

(i) A member of the Company shall not be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company unless all calls due from him in respect of that share have been paid.

(ii) A member of the Company shall not, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he has failed to comply with a notice requiring the disclosure of shareholders' interests and given under the Articles (see paragraph 3.6 below) within 14 days, in the case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

3.6 *Notice requiring disclosure of interest in shares*

The Directors may serve notice on any member requiring that member to disclose to the Company the identity of any person (other than the member) who has an interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

The Directors may be required to exercise their powers under the relevant Article on a requisition of members holding not less than one tenth of the paid up capital of the Company carrying the right to vote at general meetings. If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more of the issued shares of the relevant class), the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") and any other shares held by the member, the member shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the shares (other than a transfer to a *bona fide* unconnected third party) shall be registered until the default is rectified.

3.7 *Transfer of shares*

The Articles provide that the Directors may implement such arrangements as they may think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. If the Directors implement any such arrangements no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

(i) the holding of shares of that class in uncertificated form;

(ii) the transfer of title to shares of that class by means of the CREST UK system; or

(iii) the CREST Guernsey Requirements.

Where any class of shares is for the time being admitted to settlement by means of the CREST UK system such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements. Unless the Directors otherwise determine, such securities held by the same holder or joint holder in both certificated form and uncertificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form and from certificated to uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements.

Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system. Every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed.

Subject as provided below, any member may transfer all or any of his shares which are in certificated form by instrument of transfer in any form which the Directors may approve. The instrument of transfer of a share shall be signed by or on behalf of the transferor. The Directors may refuse to register any transfer of certificated shares unless the instrument of transfer is lodged at the registered office accompanied by the relevant share certificate(s) and such other evidence as the Director may reasonably require to show the right of the transferor to make the transfer. The Directors may refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis.

Subject to the provisions of the CREST Guernsey Requirements, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year.

3.8 *Alteration of capital and purchase of shares*

The Company may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such amount as the resolution may prescribe.

The Company may from time to time, subject to the provisions of the Law, purchase its own shares (including any redeemable shares) in any manner authorised by the Law.

The Company may by ordinary resolution: consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; subdivide all or any of its shares into shares of a smaller amount than is fixed by the memorandum of association; and cancel any shares which at the date of the resolution have not been taken or agreed to be taken and diminish the amount of its authorised share capital by the amount of shares so cancelled.

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any incident authorised, and consent required, by the Law.

3.9 *Interests of Directors*

(i) Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution of the Board (or a committee of the Directors) in respect of any matter in which he has (together with any interest of any person connected with him) a material interest (other than by virtue of his interest in shares or debentures or other securities of the Company).

(ii) A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

(1) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;

(2) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

(3) the offer of securities of the Company or its subsidiaries in which offer he is or may be entitled to participate or in the underwriting or sub-underwriting of which he is to participate;

(4) any proposal concerning any other company in which he is interested, directly or indirectly, as an officer or shareholder or otherwise, provided that he is not to his knowledge the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of any such company or of the voting rights of such company;

(5) any arrangement for the benefit of employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or

(6) any proposal for the purchase or maintenance of insurance for the benefit of the Director or persons including the Directors.

(iii) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(iv) Any Director may continue to be or become a director, managing director, manager or other officer or member of a company in which the Company is interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him.

3.10 *Directors*

(i) The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £125,000 per annum (or such sum as the Company in general meeting shall from time to time determine). The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.

(ii) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as the Directors may determine.

(iii) The Directors may from time to time appoint one or more of their body (other than a Director resident in the UK) to the office of managing director or to any other executive office for such periods and upon such terms as they determine.

(iv) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or where the terms of appointment are arranged or any contract in which he is interested is considered or any remuneration (including pension or other benefits) is to be paid to him, and he may vote on any such appointment or arrangement other than his own appointment or the terms thereof.

(v) The Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until, and shall be eligible for re-election at, the next general meeting following his appointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an annual general meeting. Without prejudice to those powers, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

(vi) At the first annual general meeting of the Company all of the Directors shall retire from office. At each annual general meeting thereafter, one-third of the Directors (or if their number is not three or an integral multiple of three), the number nearest to, but (except where there are less than three Directors) not greater than one-third shall retire from office.

(vii) Subject to the provisions of the Articles, the Directors to retire by rotation on each occasion shall be those of the Directors who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire at any annual general meeting which is the third annual general meeting after the later of his appointment by the Company in general meeting and re-election as a Director of the Company in general meeting, shall nevertheless be required to retire at such annual general meeting.

(viii) The maximum number of Directors shall be ten and the minimum number of Directors shall be two. The majority of the Directors shall at all times be resident outside the United Kingdom.

(ix) Unless otherwise fixed by the Company in general meeting, a Director shall not be required to hold any qualification shares.

3.11 *Retirement of Directors*

(i) There is no age limit at which a Director is required to retire.

(ii) The office of Director shall be vacated if the Director resigns his office by written notice, if he shall have absented himself from meetings of the Board for a consecutive period of six months and the Board resolves that his office shall be vacated, if he becomes of unsound mind or incapable, if he becomes insolvent, suspends payment or compounds with his creditors, if he is requested to resign by written notice signed by all his co-Directors, if the Company in general meeting by ordinary resolution shall declare that he shall cease to be a Director, or if he becomes resident in the United Kingdom and, as a result, a majority of the Directors are resident in the United Kingdom.

3.12 *Winding-up and continuation vote*

(i) On a winding-up, the surplus assets remaining after payment of all creditors, including payment of bank borrowings, shall be divided *pari passu* among the members in proportion to the capital paid up or which ought to have been paid up on the shares held at the commencement of the winding-up, subject to the rights of any shares which may be issued with special rights or privileges.

(ii) On a winding-up the liquidator may, with the authority of a special resolution, divide amongst the members *in specie* any part of the assets of the Company. The liquidator may with like authority vest any part of the assets in trustees upon such trusts for the benefit of members as he shall think fit but no member shall be compelled to accept any assets in respect of which there is any liability.

(iii) Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation, or part compensation, for the transfer or sale, shares, policies or other like interests for distribution among the members or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

(iv) The Directors shall put an ordinary resolution to the shareholders to approve the continuation of the Company, in its then form, at the annual general meeting of the Company to be held in 2015 and thereafter at five yearly intervals. If at any such annual general meeting, such resolution is not passed, the Board shall, within six months of such meeting, convene an extraordinary general meeting of the Company at which a special resolution shall be proposed to the members of the Company for the winding up of the Company and/or a special resolution shall be proposed to the members of the Company for the reconstruction of the Company, provided that such resolution for the reconstruction of the Company shall, if passed, provide an option to Shareholders to elect to realise their investment in the Company in full.

3.13 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money up to an amount equal to 50 per cent. of the gross assets of the Group at the time of borrowing and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property or assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party.

3.14 *F&C name*

(i) If at any time any agreement between the Company and the Investment Manager or any member of the F&C Group (being F&C and any of its subsidiary undertakings or parent undertakings or their subsidiary undertakings, from time to time) for the management of the Company's investments is terminated, or if any offer is made to all the holders of the Ordinary Shares to acquire the whole or any part of the Ordinary Shares and the right to cast more than 50 per cent. of the votes which may ordinarily be cast at a general meeting of the Company has or will become vested in the offeror and/or any company controlled by the offeror and/or any person associated, or acting in concert, with the offeror then, in either such event, F&C shall be entitled by notice in writing to the Company to require that the name of the Company is changed to a name which does not contain the word "F&C" or any letters or words colourably or confusingly similar thereto.

(ii) If within three months after the giving of such notice the name of the Company has not been so changed, F&C shall be entitled to convene an extraordinary general meeting of the Company for the purpose of passing a special resolution (the "Name Change Resolution") adopting as the name of the Company a name selected by F&C and any member present in person or by proxy (or being a corporation by representative) and entitled to vote shall (in respect of the votes attached to his shares) vote in favour of the Name Change Resolution and any vote which is not cast or is cast against such Name Change Resolution shall be deemed to have been cast in favour of the Name Change Resolution.

4. Directors' and other interests

4.1 The aggregate of the remuneration to be paid and benefits in kind granted to the Directors by the Group for the financial period ending 31 December 2005 will not exceed £90,000.

4.2 Each of Peter Niven, Donald Adamson, John Stephen, Brian Sweetland and Nicholas Tostevin has entered into a letter of appointment with the Company dated 9 February 2005. The letters of appointment provide for an initial period of service expiring at the first annual general meeting of the Company, subject to renewal at that time. The Company has the right to terminate each appointment without compensation if the relevant Director is required to vacate office in accordance with the Articles and, subject thereto, the letters of appointment do not contain any contractual provisions regarding the compensation which would be payable upon early termination by the Company. The initial fees payable are £25,000 per annum to Peter Niven, the Chairman, and £18,000 per annum to each of Donald Adamson, John Stephen, Brian Sweetland and Nicholas Tostevin. The fees will be reviewed annually and may be increased in line with usual market rates.

4.3 No Director has any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Group and which were effected by any member of the Group since its date of incorporation or remain in any respect outstanding or unperformed.

4.4 No loan or guarantee has been granted or provided by any member of the Group for the benefit of any Director.

4.5 As at the date of this document and immediately following Admission, other than as disclosed in paragraph 4.6 below, there are no interests of any Director, including any connected persons of any Director, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company or any options in respect of such capital.

4.6 The Directors have agreed to apply under the Offer or the Placing for the number of Ordinary Shares set out below, all of which will be beneficially held:

Director	*Number of Ordinary Shares*	*Percentage of issued Ordinary Shares**
Peter Niven	20,000	0.003
Donald Adamson	50,000	0.006
John Stephen	20,000	0.003
Brian Sweetland	nil	–
Nicholas Tostevin	20,000	0.003

* After the acquisition of the Initial Property Portfolio.

4.7 The Company is aware of the following persons who would be interested in three per cent. or more of the issued share capital of the Company following the Issue and the acquisition of the Initial Property Portfolio:

	Number of Ordinary Shares	*Percentage of issued Ordinary Shares**
FPWP	339,050,000	46.1
SCP	120,800,000	16.4
ING Real Estate Investment Management	25,000,000	3.4
Scottish Widows Investment Partnership	23,000,000	3.1
Rathbones	22,466,000	3.1
Newton Investment Management	22,225,000	3.0

* After the acquisition of the Initial Property Portfolio.

Save as described above, the Company is not aware of any person who, following the Issue, will be interested directly or indirectly in three per cent. or more of any class of issued share capital of the Company or of any person or persons who, following the Issue, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

4.8 Details of those companies and partnerships of which the Directors have been directors or partners at any time since 9 March 2000 are as follows:

(i) *Peter Niven*

Present directorships and partnerships:	ABTA Insurance Company (Guernsey) Limited, ABTA Travel Agents Insurance Company Limited and Dexion Trading Limited
Past directorships and partnerships:	Black Horse Offshore Limited, C&G CI Limited, EFG Eurobank Ergasias International (Channel Islands) Limited, LBI Finanz Anstalt, LBI (Guernsey) Nominees Limited, Lloyds Bank S.A., Lloyds TSB Bank Group Insurance Company Limited, Lloyds TSB Bank (Guernsey) Limited, Lloyds TSB Bank (Isle of Man) Limited, Lloyds TSB Bank (Jersey) Limited, Lloyds TSB Fund Managers (Guernsey) Limited, Lloyds TSB Holdings (Isle of Man) Limited, Lloyds TSB Management Limited, Lloyds TSB Money Fund Limited, Lloyds TSB Offshore Holdings Limited, Lloyds TSB Offshore Pension Trust Limited, Lloyds TSB Offshore Private Banking (Guernsey) Limited, Lloyds TSB OPB Holdings Limited, Lloyds TSB Services Limited, Lloyds TSB Treasury (Guernsey) Limited and TSB Bank Channel Islands Limited

(ii) *Donald Adamson*

Present directorships and partnerships:	450 Wirefree Systems Fund Ltd, Daglingworth Limited, EPIC Reconstruction plc, Forbes Limited, Hanseatic Asset Management LBG, Hotel Corporation PLC, Invesco Leveraged High Yield Fund Limited, Juno International Participations Limited, Launen Limited, Lindsell Train Global Media (Distributor) Inc., Lindsell Train Global Media (General Partner) Inc., Lindsell Train Global Media Accumulator Inc., Lindsell Train Japan (Accumulator) Inc., Lindsell Train Japan (Distributor) Inc., Lindsell Train Japan (General Partner) Inc., Meridian Asset Management (CI) Limited, Network CPD Limited, Pantheon Asia Fund Limited, Pantheon Asia Fund II Limited, Pantheon Asia Fund III Limited, Pantheon Europe Fund Limited, Pantheon Europe Fund II Limited, Pantheon Europe Fund III Limited, Pantheon Europe Fund IV Limited, Pantheon Global Secondary Fund Limited, Pantheon Global Secondary Fund II Limited, Pantheon USA Fund Limited, Pantheon USA Fund II Limited, Pantheon USA Fund III Limited, Pantheon USA Fund IV Limited, Pantheon USA Fund V Limited, Pantheon USA Fund VI Limited, Park Heights Limited, Research & Consulting Associates Limited, Saanen Limited, The Equity Partnership Investment Company PLC and The Lindsell Train Investment Trust PLC
Past directorships and partnerships:	Aberdeen Asset Managers Jersey Limited, Aberdeen Graham Asset Management Limited, Alternative Investment Strategies Limited, Bayard Cayman Limited, Counterpoint Corporate Consultants Limited, European Fund Dynamics Limited, Fitzrovia International Limited, GIML Services Limited, Janus Participations Limited, Leveraged Income Fund Limited, Murray Johnstone (Jersey) Limited, Murray Scots Portfolios Limited, North American Growth Investments Limited, Pantheon Global PCC Limited, Pantheon Secondary Interests Limited, Scottish Asian Investment Company Limited, The Bayard Fund (Euro) Limited and The Bayard Fund Limited

(iii) *John Stephen*

Present directorships and partnerships:	Age Concern Enterprises (Westminster) Limited, Age Concern Westminster, BPF Commercial Limited, British Property Federation, British Property Federation (Europe) Limited and Jones Lang LaSalle Inc
Past directorships and partnerships:	None

(iv) *Brian Sweetland*

Present directorships and partnerships:	Edinburgh Park (Management) Limited, Friends Provident plc, Friends Provident Charitable Foundation, Stockley Park East Limited and Thames Valley Park Management Limited
Past directorships and partnerships:	Benchmark Group PLC, County Square (Chelmsford) Management Company Limited, Eureko BV, F&C Asset Management plc, Lonmanpen Limited and Sweetlands, Solicitors

(v) *Nicholas Tostevin*

Present directorships and partnerships:	Babbe Le Pelley Tostevin, Behbehani Investments Limited, Bulldog Insurance Company Limited, Carillion Insurance Company Limited, Clarges Insurance Limited, Connaught Insurance Company Limited, Court Row Limited, Great Grapes Limited, J.N. Ltd, JCB Insurance Company Limited, Leagles Limited, Magic Holdings Limited, New Street Realty Limited, New Street Realty Limited No 2, Quill Trust Co. Ltd, The Eagle Healthcare Fund Ltd, The UBK Commercial Property Company Limited, The UBK European Property Company Limited, The UBK French Property Company Limited, The UBK Islamic Property Company Limited, UBK Asset Management (Guernsey) Limited and Voyager Insurance Company Limited
Past directorships and partnerships:	Belmont Assets Limited, Dromo Ltd, Fltip Limited, Forcar Ltd, Le Pelley & Tostevin, London Town Development Properties Ltd, London Town Investment Properties Ltd, Marks & Spencer (Alderney) Ltd, Marks & Spencer (Guernsey) Ltd, PI Insurance Company Ltd, Seamark Trust Company Ltd, Six Investments Ltd, Telso Ltd, The Capital Appreciation Trust Ltd, The Hayat Investment Management Company Ltd and The UBK Residential Property Company Ltd

4.9 At the date of this document none of the Directors:

(i) has any unspent convictions in relation to indictable offences; or

(ii) has been bankrupt or entered into an individual voluntary arrangement; or

(iii) was a director with an executive function of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors; or

(iv) has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership; or

(v) has had his assets the subject of any receivership or has been the partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership;

(vi) has been subject to any public criticism by any statutory or regulatory authority (including any designated professional body) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

5. Material contracts of the Group

The following are all of the material contracts, not being contracts entered into in the ordinary course of business, that have been entered into by any member of the Group since the date of its incorporation, or will be entered into by a member of the Group following Admission, and any other contract, not being a contract entered into in the ordinary course of business, that has been entered into by any member of the Group which contains provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

5.1 An investment management agreement dated 4 March 2005 between the Company (1), the Investment Manager (2) and the Property Subsidiary (3) whereby the Investment Manager is appointed, conditional on Admission, to act as investment manager of the Group, to manage the assets of the Group in accordance with the investment policy of the Company and to implement the borrowing policy from time to time approved by the Directors. Under the terms of the Investment Management Agreement, subject to the overall supervision of the Directors, the Investment Manager has complete discretion to buy, sell, retain, exchange or otherwise deal in property assets for the account of the Group. Under the terms of the Investment Management Agreement, the Investment Manager has also agreed to provide certain administrative services to the Group. The Investment Manager shall be entitled to receive a fee from the Company at the annual rate of 0.75 per cent. of the Total Assets plus an administration fee of £100,000 per annum (increased annually in line with inflation), payable quarterly in arrears. The fees of any managing agents appointed by the Investment Manager will be payable by the Investment Manager out of this fee. The Investment Manager is entitled to retain commissions in respect of insurance put in place by it on behalf of the Group. The Investment Manager is entitled to delegate any of its duties under the Investment Management Agreement to its associates. Under the terms of the Investment Management Agreement, the Investment Manager has agreed to act in good faith and with the reasonable skill and diligence expected of a competent and experienced property investment manager and to act in the best interests of the Group so that it is no less advantaged than any other similar funds under the management of the Investment Manager. The Investment Management Agreement contains an unlimited indemnity in favour of the Investment Manager against claims by third parties except to the extent that the claim is due to a breach by the Investment Manager of the Investment Management Agreement or to the negligence, wilful default or fraud of the Investment Manager or any party to whom the Investment Manager has delegated any of its functions. The Investment Management Agreement may be terminated by any party giving to the others not less than 12 months' notice expiring on or at any time after the fourth anniversary of Admission, or otherwise forthwith in circumstances, *inter alia*, where one of the parties has a receiver appointed over its assets or if an order is made or an effective resolution passed for the winding up of one of the parties or if the Investment Manager is the subject of a change of control. In the event of the termination of the Investment Management Agreement for whatsoever reason, the Company shall be obliged to use its reasonable endeavours to change its name to a name not including the word "F&C" or any letters or words colourably or confusingly similar thereto.

5.2 An administration and secretarial agreement dated 4 March 2005 between the Company (1), the Administrator (2) and the Property Subsidiary (3) whereby the Administrator is appointed, conditional upon Admission, to act as administrator, secretary and registrar of the Group. The Administrator shall be entitled to receive an annual fee of £50,000 and a fee of £10,000 payable on Admission. The Administrator shall also be entitled to reimbursement of fees and expenses disbursed by the Administrator on behalf of the Company and the Property Subsidiary. The Administration and Secretarial Agreement contains an unlimited indemnity in favour of the Administrator against claims by third parties except to the extent that the claim is due to the bad faith, negligence, wilful default or fraud of the Administrator. The Administration and Secretarial Agreement may be terminated by any party giving to the others not less than 90 days' notice in writing or otherwise in circumstances, *inter alia*, where one of the parties goes into liquidation.

5.3 An internal administration agreement dated 4 March 2005 between the Company (1) and the Property Subsidiary (2) whereby the Property Subsidiary has agreed to act as the property investment holding company of the Group and to acquire and dispose of assets within the Property Portfolio on behalf of the Group. Pursuant to this agreement, the Company has agreed to fund the Property Subsidiary by share and/or loan capital in amounts to be determined from time to time for the purposes of acquiring and maintaining the Property Portfolio.

5.4 The Acquisition Agreements, which are summarised in Section B of Part 3 of this document.

5.5 A costs commission agreement dated 4 March 2005 between the Company (1), FPWP (2) and F&C (3) whereby (i) if the costs and commissions in respect of the Issue, the issue of the Bonds and the acquisition of the Initial Property Portfolio (the "Costs") are less than 2.25 per cent. of the Initial Gross Assets, the Company shall pay to FPWP a commission equal to the difference; or (ii) if the amount of the Costs exceed 2.25 per cent. of the Initial Gross Assets, FPWP and F&C shall pay to the Company such excess. Under this agreement, FPWP and F&C have also agreed to meet one-half each of any costs or expenses payable by the Company if the Issue does not proceed.

5.6 By a letter dated 4 March 2005, Friends Provident has irrevocably undertaken to the Company that, at any time or times when Friends Provident together with its associates (as defined in paragraph 3.13 of the UKLA Listing Rules), are entitled to exercise, or to control the exercise of, 30 per cent. or more of the rights to vote at general meetings of the Company, it will not, and will exercise such rights as it may have to procure that none of its associates will:

(i) seek to nominate directors to the board of the Company who are not independent of Friends Provident or its associates;

(ii) take, in Friends Provident's or its associates' capacity as beneficial holders of any Ordinary Shares, any action which would be detrimental to the general body of Shareholders and, for this purpose, any action which has the support or recommendation of a majority of the directors of the Company or voting by Friends Provident or its associates at any general meeting convened by the Board shall be deemed not to be detrimental;

(iii) take any action which may result in the Investment Manager or any associate of Friends Provident which acts as the investment manager of the Company and its subsidiaries not being able to carry out its duties under the Investment Management Agreement independently of Friends Provident or any of its associates at all times;

(iv) take any action which may result in the Directors of the Company from time to time not being able to fulfil their duties as directors of the Company independently of Friends Provident or its associates at all times or the Company not being able to carry on its business independently of Friends Provident or its associates at all times; or

(v) permit Friends Provident or any of its associates to enter into any transaction or relationship with the Company other than at an arm's length and on a normal commercial basis.

5.7 A valuation agreement dated 4 March 2005 between the Company (1) and DTZ Debenham Tie Leung Limited (2). Pursuant to this agreement, the Valuer has agreed to provide valuation services in respect of the assets comprising the Property Portfolio. This agreement is for a fixed term up to 31 March 2008. Under the agreement, the Valuer is entitled to receive an annual fee equal to 0.0165 per cent. of the aggregate value of the properties comprised in the Property Portfolio, together with all reasonable out-of-pocket expenses. The Valuer is also entitled to a one-off fee of £215,000 (excluding VAT and reasonable expenses) in respect of its valuation of the Properties comprised in the Initial Property Portfolio contained in Part 4 of this document.

5.8 A draft placing agency agreement to be entered into between the Company (1), the Bond Issuer (2), the Property Subsidiary (3), Sutherlands Limited (the "Placing Agent") (4), HSBC Bank plc (5) and Royal Bank of Canada Europe Limited (6) (together with the Placing Agent, the "Sellers"). Pursuant to this agreement the Sellers have agreed with the Company and the Bond Issuer to procure subscriptions for the Bonds at the issue price of 100 per cent. of their initial principal amount. The Company has agreed to indemnify the Sellers against certain liabilities in connection with the issue of the Bonds. These indemnities are usual for an agreement of this nature and type.

5.9 A draft facility agreement to be dated on or around the date of Admission between, *inter alios*, the Company (1) and the Bond Issuer (2) whereby the Bond Issuer has agreed to make available a term loan facility of £230,000,000. Interest is payable by the Company at a rate equal to the interest rate payable on the Bonds. The amounts advanced under the Facility Agreement are repayable on 30 June 2015. If a Loan Event of Default (as defined in the Facility Agreement) were triggered the amounts advanced under the Facility Agreement would be repayable immediately upon demand. The Facility Agreement contains a number of Loan Events of Default and covenants relating to the solvency of the Group, the nature of the Property Portfolio, the gearing of the Group and the interest cover. A Loan Event of Default will be triggered if, *inter alia*, (i) the amount of the loan facility exceeds 40 per cent. of the value of the assets secured pursuant to the security granted in accordance with the terms of the Facility Agreement (the "Gross Secured Assets"); (ii) the amount of all borrowings of the Group exceed 50 per cent. of the value of the Gross Secured Assets; or (iii) if the net rental income of the Property Portfolio (including the Indirect Property Funds) less certain operating costs should fall below 1.5 times the amount of interest payable under the Facility Agreement over the period the net rental income is calculated. Dividends may only be paid to the extent that the net rental income of the Property Portfolio (including the Indirect Property Funds) in both the period (i) six months prior to the proposed dividend payment date; and (ii) six months following the proposed dividend payment date less certain operating costs and the amount of the proposed dividend does not fall below 1.75 times the amount of interest payable under the Facility Agreement over such period. The amount advanced under the Facility Agreement will be secured by fixed and floating charges over the assets of the Company and the Property Subsidiary granted pursuant to a security trust deed, a deed of charge and related security documentation. The trustee of the security has confirmed that it will consent to the cancellation of the share premium account referred to in paragraph 2.3 above.

6. General

6.1 The total costs and expenses of and incidental to the Issue, including the costs of acquiring the Initial Property Portfolio, payable by the Company will be approximately 2.25 per cent. of the Initial Gross Assets (including, the commission payable to financial intermediaries of up to a maximum of £5.4 million) being £21.7 million.

6.2 It is estimated that, on the basis of the Assumptions, the net proceeds available for investment by the Company following the Issue will be £478.3 million (including borrowings of £230 million and £270 million, being the proceeds of the issue of 270 million New Ordinary Shares) and that these net proceeds will be invested in accordance with the Company's investment policy described in Part 1 of this document.

6.3 The Investment Manager is, or may be, a promoter of the Company. Save as disclosed in paragraphs 5.1 and 5.5 above, no cash, securities or benefits have been paid, issued or given by any member of the Group to the Investment Manager and, other than as expressly disclosed in this document, none is proposed to be paid, issued or given to the Investment Manager in its capacity as promoter.

6.4 The Group is not and has not been engaged in any legal or arbitration proceedings and, in so far as the Company is aware, there are no legal or arbitration proceedings pending or threatened by or against any member of the Group which may have, or have had from the date of incorporation of the members of the Group, a significant effect on the Group's financial position.

6.5 Dickson Minto W.S. has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the references to it in the form and context in which they appear.

6.6 The Valuer has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report in Part 4 of this document and the statements attributed to it and references to it in the form and context in which they appear and has authorised the contents of its report and statements attributed to it and references to it for the purposes of regulation 6(1)(e) of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001.

6.7 There has been no significant change in the financial or trading position of the Group since the date of incorporation of the Company.

6.8 The Company has not incurred any borrowings or indebtedness, has not granted any mortgage or charge over any property and has not provided any guarantees since its incorporation.

6.9 The Company owns all of the issued share capital of the Property Subsidiary, which is a Guernsey incorporated company and which will own all of the assets in the Property Portfolio.

6.10 No member of the Group has had any employees since its incorporation and, other than the Initial Property Portfolio, none of them own any premises.

6.11 The Directors confirm that the Company and the Property Subsidiary were each incorporated and registered on the date referred to in paragraphs 1.1 and 1.3 above and that, save for the entry into the material contracts described in paragraph 5 above and the subscription for shares in the Property Subsidiary by the Company, neither the Company nor the Property Subsidiary has traded and no accounts have been made up in respect of either of them.

6.12 Save in respect of the New Ordinary Shares available under the Offer, no shares in the Company have been marketed or made available in whole or in part to the public.

7. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Royal London House, 22/25 Finsbury Square, London EC2A 1DX and Ozannes, 1 Le Marchant Street, St. Peter Port, Guernsey, GY1 4HP until 31 March 2005:

(i) the memorandum and articles of association of the Company;

(ii) the material contracts referred to in paragraph 5 above;

(iii) the irrevocable commitments from placees under the Placing referred to under the heading "The Issue" in Part 2 of this document;

(iv) the draft listing particulars relating to the Bonds;

(v) the letters of appointment referred to in paragraph 4.2 above;

(vi) the written consents referred to in paragraphs 6.5 and 6.6 above;

(vii) the valuation report referred to in Part 4 of this document; and

(viii) this document.

8. Availability of Prospectus

Copies of the Prospectus are available for inspection at the Document Viewing Facility, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS and, until 31 March 2005, are available for collection, free of charge, from the offices of F&C Asset Management plc, 80 George Street, Edinburgh EH2 3BU, Dickson Minto W.S., Royal London House, 22/25 Finsbury Square, London EC2A 1DX and Guernsey International Fund Managers Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL.

9 March 2005

Part 6

Terms and Conditions of Application under the Offer

Introduction

These Terms and Conditions of Application apply to any application made under the Offer. If you apply for Ordinary Shares in the Offer for Subscription, you will be agreeing with the Company, Dickson Minto W.S. and the Receiving Agent (together, the "Company and its agents") as follows.

Offer to acquire Ordinary Shares

1. Applications must be made on the Application Form attached at the end of the Prospectus or otherwise published by the Company. All applications in the Offer must be for a minimum of 3,000 Ordinary Shares and, if your application is for more than 3,000 Ordinary Shares, it must be for such greater sum as is a multiple of 1,000 Ordinary Shares.

2. By completing and delivering an Application Form, you, as the applicant, or, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

2.1 offer to subscribe for the number of Ordinary Shares that you have specified in your Application Form (or such lesser number for which your application is accepted) at 100p per Ordinary Share on the terms, and subject to the conditions, set out in the Prospectus, these Terms and Conditions of Application, the guidance notes accompanying your Application Form, and the Memorandum and Articles of Association of the Company;

2.2 agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer any Ordinary Shares to any person other than by means of the procedures referred to in the Prospectus, your application may not be revoked until after 31 March 2005 (or such later date as the Company and its agents may agree). You agree that this paragraph constitutes an irrevocable collateral contract between you and the Company and its agents, which will become binding when your Application Form is posted or delivered by hand to the Receiving Agent;

2.3 undertake to pay (by cheque or bankers' draft or such other method of payment as may be agreed with the Company) the Issue Price for the Ordinary Shares (payable in full on application) in respect of which your application is accepted and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for or to enjoy or receive any rights or distributions in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Company and its agents against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) terminate the agreement to allocate Ordinary Shares to you, without liability to you, and may allocate them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds or remittance which accompanied your Application Form and which is received by the Receiving Agent in cleared funds, without interest);

2.4 agree that any share certificate to which you may become entitled and moneys returnable may be retained, without interest, by the Receiving Agent:

2.4.1 pending clearance of your remittance;

2.4.2 pending investigation of any suspected breach of the warranties contained in paragraph 10 below or any other suspected breach of these Terms and Conditions of Application; or

2.4.3 pending any verification of identity which is, or which the Company and its agents consider may be, required for the purposes of the Guernsey Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations, 2002 and/or the UK Money Laundering Regulations 2003;

2.5 agree that any error in the register of members of the Company arising as a result of your remittance not being honoured on first presentation or as a result of any other error in connection with your application for Ordinary Shares, or as a result of termination of any agreement to allocate Ordinary Shares pursuant to paragraphs 2.3 or 2.7 of these Terms and Conditions of Application may be rectified and, in addition and without prejudice to the foregoing, you hereby irrevocably authorise the Company, or any person appointed by it for this purpose, to execute on your behalf any instrument of transfer which may be necessary to effect any re-allocation or sale of Ordinary Shares to any other person arising as a result of the foregoing. The right to rectify the register of members of the Company, and/or the power to re-allocate or sell Ordinary Shares contained in this paragraph, are in addition to any other rights, powers and remedies which would otherwise be available to the Company in the event of a breach by you of these Terms and Conditions of Application;

2.6 agree, on the request of the Company or any of its agents, to disclose promptly in writing to any of them such information as the Company or its agents may request in connection with your application and you agree that information relating to applications will be retained by the Receiving Agent in connection with the Offer and may be disclosed as contemplated by the Guernsey Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations, 2002 and/or the UK Money Laundering Regulations 2003;

2.7 agree that if evidence of identity satisfactory to the Company and its agents is not provided to the Company or its agents within a reasonable time (in the opinion of the Company) following a request therefor, any agreement with you to allocate Ordinary Shares may be terminated and, in such case, the Ordinary Shares which would otherwise have been allocated to you may be re-allocated and your application moneys will be returned to the bank or other account on which the cheque or other remittance accompanying the application was drawn without interest;

2.8 agree that you are not applying on behalf of a person engaged in money laundering;

2.9 undertake to ensure that, in the case of your Application Form being signed by someone other than the applicant, the original of the relevant power of attorney or other authority (or a complete copy certified by a solicitor or a bank) is enclosed with your Application Form;

2.10 undertake to pay interest at the rate prescribed in paragraph 6 below if the remittance accompanying your Application Form is not honoured on first presentation;

2.11 authorise the Receiving Agent on behalf of the Company to send definitive certificates in respect of the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any moneys returnable, by post to your address as set out in your Application Form;

2.12 confirm that you have read and complied with paragraphs 23 and 24; and

2.13 agree that your Application Form is addressed to the Company and its agents.

3. Any application may be rejected in whole or in part at the sole discretion of the Company.

Acceptance of your offer

4. You agree that acceptance of your application, if it is received valid (or treated as valid), processed (and not rejected) and provided that it is not rejected subsequently as a result of a failure by you to comply with these Terms and Conditions of Application, shall be constituted at the election of the Company, after consultation with Dickson Minto W.S., either:

4.1 by notifying the London Stock Exchange of the basis of allocation (in which case the acceptance will be on that basis); or

4.2 by notifying acceptance to the Receiving Agent.

5. The Company and its agents reserve the right to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. The Company and its agents reserve the right to waive in whole or in part any of the provisions of these Terms and Conditions of Application, either generally or in respect of one or more applications. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed in some other manner satisfactory to the Company and its agents to apply in accordance with these Terms and Conditions of Application.

6. The right is reserved to present all cheques for payment on receipt by the Receiving Agent and to retain documents of title and surplus application moneys pending clearance of successful applicants' cheques. The Company may require you to pay interest or its other resulting costs (or both) if the cheque accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the cheque from the date on which the basis of allocation under the Offer is publicly announced, until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus two per cent. per annum.

Conditions

7. The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon the admission of the Ordinary Shares, issued and to be issued, to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities and such admissions becoming effective by 8.00 a.m. on 18 March 2005 (or such later date, not being later than 31 March 2005, as the Company and Dickson Minto W.S. may agree). The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Offer.

8. You will not be entitled to exercise any remedy of recission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other rights you may have.

Return of application moneys

9. If any application is not accepted, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application moneys or, as the case may be, the balance of the amount paid on application will be returned without interest in sterling by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto. In the meantime, application moneys will be retained by the Receiving Agent in a separate account.

Warranties

10. By completing an Application Form, you:

    10.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or a bank;

    10.2 acknowledge that, if you are not resident in the United Kingdom, the Isle of Man or the Channel Islands, no action has been taken to permit a public offer in your jurisdiction and that, if the laws of any territory or jurisdiction outside the United Kingdom, the Isle of Man or the Channel Islands are applicable to your application, warrant that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or its agents or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom, the Isle of Man or the Channel Islands in connection with the Offer or your application;

    10.3 confirm that in making an application you are not relying on any information or representations in relation to the Group and the Ordinary Shares other than that contained in the Prospectus (as may be supplemented by a supplementary prospectus) on the basis of which alone your application is made, and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representations;

    10.4 acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in the Prospectus (as may be supplemented by a supplementary prospectus) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or any of its agents;

    10.5 warrant that you are either a company or other body corporate duly incorporated and validly existing with authority to sign the Application Form and to apply for Ordinary Shares or an individual who is not under the age of 18 on the date of your application;

    10.6 agree that all documents and moneys sent by post to you, by or on behalf of the Company or any of its agents will be sent at your risk and, in the case of documents and returned moneys to be sent to you, may be sent to you at your address as set out in your Application Form;

    10.7 confirm that you have reviewed the restrictions contained in the section entitled "Overseas investors" in paragraphs 23 and 24 and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions of such section;

    10.8 warrant that you are not in the United States, or subscribing for the Ordinary Shares for the account of any person in the United States, and are not a Canadian person, or an individual, corporation or other entity resident in Japan or Australia; and

    10.9 warrant that the details relating to you as set out in your Application Form are correct.

Allocations

11. The basis of allocation will be determined at the sole discretion of the Company. The right is reserved notwithstanding such basis to reject in whole or in part and/or scale down any application.

Miscellaneous

12. To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer.

13. The rights and remedies of the Company and its agents under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to them, and the exercise or partial exercise of one will not prevent the exercise of others.

14. You agree that Dickson Minto W.S. is acting for the Company in connection with the Issue and for no-one else and Dickson Minto W.S. will not treat you as its client by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Issue.

15. You authorise the Receiving Agent or any person authorised by them or the Company, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed for by you in your name and authorise any representatives of the Receiving Agent to execute and/or complete any document required therefor.

16. You agree that it is a condition of application that any information supplied by an applicant or on his behalf or derived from the processing thereof may be used by the Receiving Agent or the Company and/or disclosed to the Company, its agents or advisers in connection with and for the purposes of the Issue and, for the purposes of the Data Protection Act 1998 (or any statutory modification or substitution of that section), you provide your consent to the use and disclosure of this information.

17. You agree that a failure to receive, process or accept your application for Ordinary Shares does not give rise to any right of action by any person against the Company, Dickson Minto W.S., the Receiving Agent or any other person. You agree that the non-receipt by any person of the Prospectus or any other related document shall not invalidate the Issue in whole or in part or give rise to any right of action by any person against the Company, Dickson Minto W.S., the Receiving Agent or any other person.

18. You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law and that, for the benefit of the Company, Dickson Minto W.S. and the Receiving Agent, you submit to the non-exclusive jurisdiction of the English courts and agree that nothing shall limit the right of the Company, Dickson Minto W.S., the Receiving Agent or their agents or advisers to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.

19. Completed Application Forms, together with payment, must be returned so as to be received by post or hand (during normal business hours) to Computershare Investor Services PLC, PO Box 859, The Pavilions, Bridgwater Road, Bristol BS99 1XZ no later than 3.00 p.m. on 14 March 2005. An Application Form which is sent by post or delivered by hand (as described above) will be treated as having been received only when it is received by the Receiving Agent.

20. Authorised financial intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their stamp and FSA number will be paid one per cent. commission on the aggregate Issue Price of the Ordinary Shares allocated for each Application Form. Financial intermediaries should keep a record of all Application Forms submitted bearing their stamp to substantiate claims for commission. Claims for commission must be made and substantiated on application.

Money Laundering

21. You agree that, in order to ensure compliance with the Guernsey Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations, 2002 and the UK Money Laundering Regulations 2003, the Receiving Agent may at its absolute discretion require, and you will provide, evidence which is satisfactory to it to establish your identity or that of any person on whose behalf you are acting and/or your status. Without prejudice to the generality of the foregoing such evidence may be required if you either:

    21.1 tender payment by way of banker's draft or cheque or money order drawn on an account in the name of another person or persons (in which case verification of your identity may be required); or

    21.2 appear to the Receiving Agent to be acting on behalf of some other person (in which case verification of identify of any persons on whose behalf you appear to be acting may be required).

    Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the despatch of documents.

22. Without prejudice to the generality of paragraph 21 above, verification of the identity of applicants may be required if the total price of the Ordinary Shares applied for, whether in one or more applications, exceeds £9,000 (approximately equivalent to €15,000). If in such circumstances, you use a building society cheque, banker's draft or money order, you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp. If in such circumstances, you use a cheque drawn by a third party, you may be requested to provide a copy of your passport or driving licence certified by a solicitor or a recent original bank or building society statement or utility bill in your name and showing your current address (which originals will be returned by post at the applicant's risk).

Overseas Investors

23. If you receive a copy of the Prospectus or an Application Form in any territory other than the United Kingdom, the Isle of Man or the Channel Islands you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made

to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the United Kingdom, the Isle of Man or the Channel Islands and wishing to make an application for Ordinary Shares under the Offer, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom, the Isle of Man or the Channel Islands.

24. Without limiting the above, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan or Australia or in the United States except in reliance on, or in a transaction not subject to, the registration requirements under the United States Securities Act of 1933 (as amended) or other relevant legislation. If you subscribe for Ordinary Shares in the Offer you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company and its agents that you are not in the United States. No application will be accepted if it bears an address in the United States or otherwise where there is cause to believe you are in the United States.

Definitions used in these Terms and Conditions of Application

25. In these Terms and Conditions of Application and the Application Form the following terms have the meanings set out below:

"Application Form" means the application form for use in connection with the Offer for Subscription attached at the end of the Prospectus or any application form for use in connection with the Offer for Subscription otherwise published by or on behalf of the Company; and

"Prospectus" means the document comprising a prospectus of the Company dated 9 March 2005.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as used in the Prospectus.

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received by 3.00 p.m. on 14 March 2005.

All Applicants should read notes 1-6. Note 7 should be read by Joint Applicants.

1. Application

Fill in (in figures) the number of Ordinary Shares for which you wish to apply. Your application must be for Ordinary Shares with a minimum aggregate Issue Price of £3,000 (3,000 shares) or, if more than £3,000, in multiples of £1,000 (1,000 shares).

2. Amount Payable

Fill in (in figures) the amount payable at 100p per Ordinary Share.

3. Personal Details

Fill in (in block capitals) the full name, address and daytime telephone number of the applicant. If this application is being made jointly with other persons, please read Note 7 before completing Box 3.

4. Signature

The applicant named in Box 3 must date and sign Box 4.

The Application Form may be signed by another person on your behalf if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

5. Cheque/Bankers' Draft Details

Attach a cheque or bankers' draft for the exact amount shown in Box 2 to your completed Application Form. Your cheque or bankers' draft must be made payable to "The Royal Bank of Scotland plc a/c F&C Commercial Property Trust" and crossed "a/c Payee".

Your payment must relate solely to this application. No receipt will be issued.

Your cheque or bankers' draft must be drawn in sterling on an account at a bank branch in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number in the top right hand corner.

An application may be accompanied by a cheque drawn by someone other than the applicant(s), but in such case any moneys returned will be sent by cheque crossed "a/c Payee" in favour of the first-named applicant.

Applications with a value of £9,000 (approximately equivalent to €15,000) or greater, which are to be settled by way of a third party payment, e.g. bankers' draft, building society cheque or a cheque drawn by someone other than the applicant, will be subject to Guernsey's and the United Kingdom's verification of identity requirements which are contained in the Guernsey Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations, 2002 and the UK Money Laundering Regulations 2003 respectively.

For UK applicants, this may involve verification of names and addresses (only) through a reputable agency. For non-UK applicants, verification of identity may be sought from your bankers or from another reputable institution or professional adviser in the applicant's country of residence.

If satisfactory evidence of identity has not been obtained within a reasonable time, and in any event (unless the Offer for Subscription is extended) by 3.00 p.m. on 14 March 2005, your application may not be accepted.

Certificates, cheques and other correspondence will be sent to the address in Box 3.

6. Shares in Uncertificated Form (CREST)

If you wish your Ordinary Shares to be issued in uncertificated form you should complete the Application Form as above and must also complete Box 6.

7. Joint Applicants

If you make a joint application, you will not be able to transfer your Ordinary Shares into an ISA. If you are interested in transferring your Ordinary Shares into an ISA, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Boxes 3 and 4 must be completed by one applicant. All other persons who wish to join in the application must complete and sign Box 7.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection.

Certificates, cheques and other correspondence will be sent to the address in Box 3.

Instructions for Delivery of Completed Application Forms

Completed Application Forms should be returned, by post or by hand (during normal business hours), to Computershare Investor Services PLC, PO Box 859, The Pavilions, Bridgwater Road, Bristol BS99 1XZ so as to be received by no later than 3.00 p.m. on 14 March 2005, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

Application Form

F&C COMMERCIAL PROPERTY TRUST LIMITED

Please send the completed form by post or by hand (during normal business hours) to Computershare Investor Services PLC, PO Box 859, The Pavilions, Bridgwater Road, Bristol BS99 1XZ so as to be received no later than 3.00 p.m. on 14 March 2005.

Important – Before completing this form, you should read the accompanying notes.

ALL APPLICANTS MUST COMPLETE BOXES 1 TO 5 (SEE NOTES 1-5 OF THE NOTES ON HOW TO COMPLETE THIS APPLICATION FORM).

If you have a query concerning completion of this Application Form please call Computershare Investor Services PLC on 0870 702 0100.

1. Application

I/We offer to subscribe for:

[ ] Ordinary Shares (at 100p each) (minimum 3,000 and thereafter in multiples of 1,000)

fully paid, at 100p per Ordinary Share, subject to the Terms and Conditions of Application set out in the Prospectus dated 9 March 2005 and subject to the Memorandum and Articles of Association of the Company respectively.

2. Amount Payable

I/We attach a cheque or bankers' draft for the amount payable of:

£ (minimum £3,000 and thereafter in multiples of £1,000)

3. Personal Details (PLEASE USE BLOCK CAPITALS)

Mr, Mrs, Miss or Title	Forenames (in full)
Surname	
Address (in full)	
Postcode	Daytime telephone no.

4. Signature

I/We hereby confirm that I/we have read the Prospectus and make this application on and subject to the Terms and Conditions of Application set out in the Prospectus.

Signature	Dated 2005

5. Cheque/Bankers' Draft Details

☐ Attach your cheque or bankers' draft for the exact amount shown in Box 2 made payable to "The Royal Bank of Scotland plc a/c F&C Commercial Property Trust" and crossed "a/c payee".

6. Shares in Uncertificated Form (CREST)

Complete this section only if you require your Ordinary Shares to be credited to your CREST account.

CREST Participant ID: (no more than five characters)						CREST Member Account ID: (no more than eight characters)								

CREST Participant's Name:

BOX 7 MUST ONLY BE COMPLETED BY JOINT APPLICANTS (SEE NOTE 7).

7. Joint Applicants (PLEASE USE BLOCK CAPITALS)

Title	Full forenames	Surname	Signature

Intermediary name, if applicable:	Intermediary stamp, if applicable:
Contact tel. no.:	FSA No.:

Pillans & Waddies, Edinburgh. 77608