European Property Factsheet

1. Rationale and objective

The UK property market has for some, been the preferred choice when looking to invest in real estate and such investments have produced attractive growth whilst at the same time providing enhanced portfolio diversification. However, by investing in the expanding European property market, investors can diversify their portfolio further into both the established and newly emerging markets of Europe, thus spreading risk even further.

At any point in time there are different fundamentals driving these markets, with the EU accession countries such as the Czech Republic, Poland and Hungary attracting substantial cross border investment inflows which have in turn helped to strengthen the underlying property markets and investor returns. On the other hand, in the more mature property markets in Western Europe more stable returns have also attracted high levels of investment and investors have looked to take advantage of the positive yield gap between property yields and borrowing rates.

The objective of the European Property Sub-fund is to provide an opportunity to participate in a diversified pool of directly or indirectly held complimentary European property assets many of which would be outside the realm of assets normally available to the individual investor. It is intended, that a minimum of 55% be substantially invested in the more mature economies of Continental Europe with satellite holdings in emerging Europe including East European countries seeking closer links with the European Community.

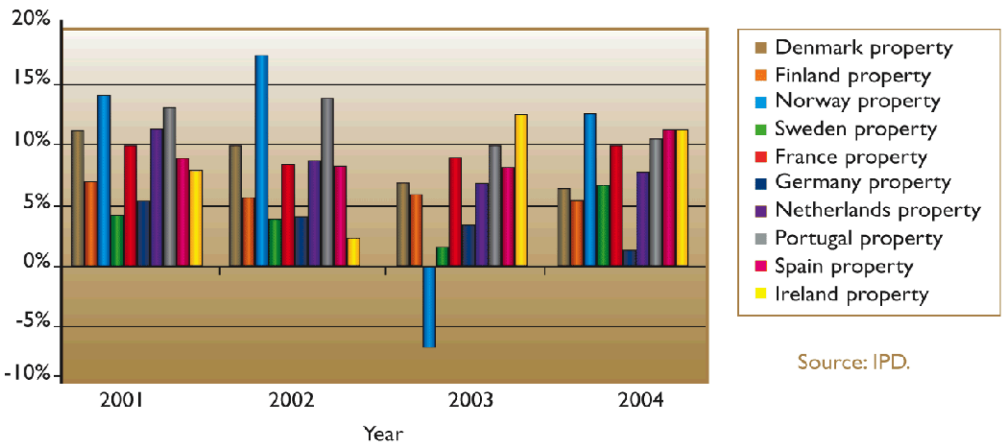
2. Current assets

An investment in the European Property Sub-fund option offers an opportunity to participate in a diversified pool of directly or indirectly held European property assets that may include:

- Offices
- Retail warehouses
- Industrial warehouses
- Off plan developments
- Leased residential units
- Healthcare accommodation
- Hotel accommodation
- Self Storage properties
- Long term care property
- Property companies primarily focused on European property

3. Performance

Whilst it is impossible to predict the future performance of a particular asset or group of similar assets types, the strength of individual European economies and in turn the differing stages in property cycles has historically produced the opportunity for positive growth as can be seen from the chart below. According to the FTSE EPRA/NARREIT Global Real Estate Index, over the five years ending 2005, the total return for Europe has averaged 16.9% pa (€) whilst an investment in such markets also provided increased investment portfolio diversification.



Source: IPD.

4. Property expertise

When investing in overseas markets, local market knowledge is essential for a successful investment strategy and therefore it is vital that the property expertise involved is of the highest calibre.

Colliers Capital UK Limited

Colliers Capital, a wholly owned subsidiary of Colliers CRE plc, has been appointed to provide property advisory and management services to the fund. They are one of the UK's leading real estate advisory organisations and are a member of Colliers International, a global alliance having:

- Over 50 independent property consultancies with 248 offices in 51 countries
- Collectively over 9000 people in employment
- Approximately 63 million square metres under property management

In 2004 Colliers International was the third largest property consultant in the world with an aggregate turnover of US$1.17 billion.

5. Corporate structure

Constituted in the Isle of Man as an OEIC

Custodians: The Royal Bank of Scotland Trust Company (IOM) Limited - regulated in the IOM

Auditors: KPMG Audit LLC - regulated in the IOM

Administrators: Abacus Financial Services Ltd – regulated in the IOM

Listed on the Channel Islands Stock Exchange (CISX)

6. Investment options and dealing

a). The Growth Option

- 100% of the subscription is applied to purchase shares
- Designed for clients looking for diversity and growth within a balanced portfolio
- Redemption Penalty from 9% reducing over 5 years at a rate of 0.45% per quarter to 0% at the start of year 6
- Monthly dealing on the first day of each month
- Penalty free withdrawals of up to 7.5% pa available
- Minimum investment: £10,000: $15,000: €15000 reduced to £5,000, $7,500 & €7,500 via portfolio bond

b). The Enhanced Option

- 110% of the subscription is applied to purchase shares
- Designed for clients looking to move away from distressed investments such as WPB's
- If redeemed within 6 years, the cost of the additional 10% allocation is clawed back on a pro rata basis
- Redemption Penalty from 9% reducing over 5 years at a rate of 0.45% per quarter to 0% at the start of year 6
- Monthly dealing on the first day of each month
- Penalty free withdrawals of up to 5% pa available
- Minimum investment: £10,000: $15,000: €15000 reduced to £5,000, $7,500 & €7,500 via portfolio bond