

Fund Update

June 2011



270-280 Kings Road, 11 Manresa Road

Executive Summary

The unit price increased by 5.7% in the first 6 months of 2011 to €1.352. This increase was principally driven by the completion of a new lease for a floor of offices to a large multinational with a lease term of 13 years (and no break option). The property was purchased for £24.6m and was valued in June 2011 at £32m, a rise of over 30% since purchase and a rise of 5.5% in the last 6 months. New lettings and successful rent reviews completed by BCP Asset Management, combined with a rebound in investor sentiment have contributed to this growth. We are currently exploring other asset management opportunities with a view to enhancing the cashflows and value

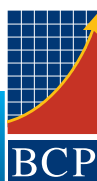
of the property. We anticipate further steady growth in the unit price in the last 6 months of 2011.

Despite the challenges of the current letting market, the property is fully let and the Fund continues to generate substantial rental profits. The property is currently generating a yield of 7.6% based on the original purchase cost. The interest rate hedging strategy employed continues to generate significant interest savings for the Fund.

Central London Property Market

The UK economy, similar to most economies, has experienced a soft patch in recent months. The sovereign debt crisis, the Japanese earthquake and monetary tightening in Emerging economies like China have all contributed to the current malaise. However, the London economy and its property market, in its particular prime property market, have so far been largely insulated from this economic slowdown. Despite the current uncertainties, fundamental supports for the London property market remain in place; all time low interest rates, reduced supply and availability of office/retail space, and a queue of overseas cash buyers taking advantage of a weak currency.

Although the number of letting transactions has dropped year on year, rental values have continued to tick up with incentives offered by landlords reducing. All the leading firms including CBRE and DTZ are forecasting continued rental



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and capital growth in 2011, 2012 and 2013. The London Olympics in 2012 is also expected to provide a boost to the greater London area. However, above average inflation, weak employment growth along with Government austerity measures will act as a headwind against property markets.

New Letting

272 Kings Road – 1st Floor

A new lease was completed during the 6 month period with an existing tenant in the property. The annual rent was agreed at £142,840, which equates to £40 per square foot, with a lease term of 13 years. The rent achieved directly led to a 7% increase in the rental value of all the office floors included in DTZ's June valuation. This transaction increased the yield from 7% to 7.6% based on the original purchase cost. The rent, lease term and the quality of the tenant further

enhanced the attractiveness of the property. Such a high quality and valuable letting was very timely with the maturity of the Fund approaching.

Exit

We expect that investors will have the opportunity to exit from the Fund in Q2 2012.

Fund Performance

Fund Return (unit price movements)

The value of the units has increased from €1.279 to €1.352 in the 6 months to 30th June 2011, a gain of 5.7%. This was driven by an increase of 5.5% in the value of the property. This was partially offset by a 5.3% weakening in Sterling against the Euro in the 6 month period to 30th June 2011.

If you have any queries or require any further information, please do not hesitate to contact your Broker or call BCP on 01-6684688.

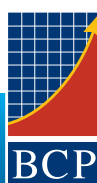
WARNING: The value of your investment may go down as well as up. You may get back less than you put in. Past performance is not a reliable guide to future performance. This product will be affected by changes in currency exchange rates.

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