

IMPORTANT INFORMATION

The Diversified Property Fund for Charities (the "**Fund**") is an exempt unregulated unit trust. This Memorandum and the Trust Deed constituting the Trust (the "**Trust Deed**") should be read before any investment is made.

This Memorandum has been prepared by Eskmuir FM Ltd ("**Eskmuir FM Ltd**" the "**Fund Manager**") solely for the preliminary consideration of investors who, on the basis of this Memorandum and the Trust Deed may subscribe for Units in the Trust (the "**Units**").

Eskmuir FM Ltd (no 9249737) is registered in England and has its registered office at 8 Queen Anne Street, London, W1G 9LD. Eskmuir FM Ltd is registered in the UK with the Financial Conduct Authority as a small registered AIFM pursuant to the Alternative Investment Fund Managers Regulations 2013.

Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of its contents, without the prior written consent of Sanne Group Nominees 1 (UK) Limited and Sanne Group Nominees 2 (UK) Limited (the "**Trustees**") is prohibited and all recipients agree that they will keep confidential all information contained in this Memorandum which is not already in the public domain and will use this Memorandum for the sole purpose of evaluating a possible investment in the Trust. By accepting this Memorandum, each prospective investor agrees to the foregoing.

Notwithstanding any term or condition of this Memorandum to the contrary, each recipient of this Memorandum (and each employee, representative or other agent of such recipient) may disclose to any and all persons, without limitation of any kind, the tax structure and tax treatment of the Trust and any transactions undertaken by the Trust and all materials of any kind (including any opinions or other analysis) that are provided to the recipient relating to such tax structure or tax treatment; provided, however, that such disclosure shall not include (i) the name (or other identifying information not relevant to the tax structure or tax treatment) of any person, (ii) any performance information relating to the Trust, or its investments, (iii) any performance or other non-tax information relating to previous trusts or investments sponsored, managed or advised by Eskmuir FM Ltd or its affiliates, or (iv) any information they ought not to disclose in order to comply with applicable securities laws.

This Memorandum does not purport to be all-inclusive or to contain all the information that a prospective investor may desire in evaluating the Trust. Prospective investors should make their own investigation of the investment described in this Memorandum, including the merits and risks involved and the legal and tax consequences of such an investment. Each prospective investor should make its own enquiries and consult its advisers as to the Trust and this offering and as to legal, tax, regulatory, accounting, financial and related matters relating to an investment in the Trust and the subscription for Units.

Statements in this Memorandum are made as of the date hereof unless stated otherwise in this Memorandum, and neither the delivery of this Memorandum at any time, nor any issue of Units hereunder, will under any circumstances create an implication that the information contained in this Memorandum is correct as of any

time subsequent to such date. In providing this Memorandum, the Trust and the Fund Manager reserve the right to amend or replace this Memorandum at any time and do not undertake to provide the recipient with access to any additional information.

Certain information contained in this Memorandum has been obtained from published sources prepared by third parties. None of the Trustees or the Fund Manager or any other person assumes responsibility for the accuracy or completeness of such information.

This Memorandum is qualified in its entirety by reference to the Trust Deed in respect of the Trust. The Trustees or the Fund Manager will give potential investors the opportunity to ask questions of and receive answers and additional information from them and their representatives concerning a subscription for Units in the Fund and other relevant matters. No person, other than the Trustees or Fund Manager has been authorised to give any information other than that contained in this Memorandum, or to make any representation in connection with the Units described herein, and, if given or made, such other information or representations must not be relied upon as having been authorised by the Trust, the Trustees or the Fund Manager and no responsibility is accepted by the Trust, the Trustees or the Fund Manager. Only those particular representations and warranties, if any, which are made in this Memorandum and any subscription agreement between the Trust and a prospective investor (subject to such limitations and restrictions as may be agreed therein) will have any legal effect and subscriptions for Units in the Trust are only effected on the basis of this Memorandum, the Subscription Agreement and the Trust Deed. This Memorandum and such subscription agreement will supersede and extinguish any representations and warranties made at any time prior to the date of such agreement.

In the event that the descriptions or terms in this Memorandum are inconsistent with, or contrary to, the descriptions in or terms of the Trust Deed, the Trust Deed will prevail. The Fund Manager does not intend to accept side letters.

Units in the Trust are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under all applicable laws. In addition, such Units may not be issued, sold, transferred, assigned, pledged or hypothecated, in whole or in part, except as provided in the Trust Deed. The Fund Manager may place conditions upon any issue and/or transfer of Units including requiring prospective investors to provide legal opinions and other evidence of compliance to its satisfaction.

Certain information contained in this Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue" or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. Prospective investors should be aware that these statements are estimates only and should not place reliance on any forward-looking statements. Prospective investors should carefully consider the risks associated with an investment in the Fund as described in Section 13, *Risk Factors and Conflicts of Interest* and elsewhere in this Memorandum.

Any projections for costs or statements contained in this Memorandum are illustrative only and are intended to show possible outcomes based on stated assumptions and represent the Fund Manager's own assessment and interpretation of information available to them at the date of this Memorandum. Prospective investors must satisfy themselves as to the accuracy of those statements, views, projections or forecasts and no responsibility is accepted by Eskmuir FM Ltd or any other person in respect thereof. Neither the Trustees nor the Fund Manager undertakes to update or revise the forward looking statements contained in this Memorandum to reflect events or circumstances occurring after the date of this Memorandum or to reflect the occurrence of events which have not been anticipated.

Investors in the Trust must have the financial expertise and willingness to accept the risks inherent in an investment in the Units. These risks include, *inter alia*, the long-term and illiquid nature of the Trust's proposed investments, the lack of any established market for the transfer of interests in the Trust and the likelihood that no such market will develop.

The Units are offered to prospective investors subject to the absolute discretion of the Fund Manager to reject any subscription in whole or in part.

This Memorandum does not constitute an offer or solicitation in any state or other jurisdiction to any person or entity to which it is unlawful to make such offer or solicitation in such state or jurisdiction. Prospective investors should read Section 14, *Selling Restrictions*. This Trust is only currently being offered to registered charities in the UK.

The Fund Manager reserves the right to modify any of the terms of the offering and the Units described in this Memorandum at any time, subject to prior written disclosure.

Statements made in this Memorandum relating to the Units and the Trust are based on the law and practice in force in England and Wales at the date of this Memorandum.

The Fund is not open to retail clients, and accordingly the Fund Manager does not provide services directly to retail clients as defined in FCA Conduct of Business Sourcebook (COBS) 3.4.

You are wholly responsible for ensuring that all aspects of the Trust are acceptable to you. Investment in an unregulated fund may involve special risks that could lead to a loss of all or a substantial portion of that investment. Unless you fully understand and accept the nature of this fund and the risks inherent in investing in this fund you should not invest in the Trust.

June 2018

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1. **DIRECTORY**

Fund Manager of the Unit Trust

Eskmuir FM Ltd
8, Queen Anne Street
London
W1G 9DL

Asset Manager of the Unit Trust

Eskmuir Asset Management Ltd
8 Queen Anne Street
London
W1G 9DL

Trustees of the Unit Trust

Sanne Group Nominees 1 (UK) Limited
&
Sanne Group Nominees 2 (UK) Limited
21 Palmer Street
London
SW1H 0AD

Auditors

Deloitte
2 New Street Square
London EC4A 3BZ

Property Managers

Jones Lang LaSalle
40 Bank Street
Canary Wharf
London E14 5EG

FCA Operator

Sanne Fiduciary Services (UK) Limited
21 Palmer Street
London
SW1H 0AD

Legal Advisers, Property (English Law)

Osborne Clarke
One London Wall
London
EC2Y 5EB

Bircham Dyson Bell51-53 Hills
Road
Cambridge
CB2 1NT

Legal Advisers, Property (Scottish Law)

Brodies
15 Atholl Crescent
Edinburgh
EH3 8HA

Tax Adviser

Deloitte LLP
2 New Street Square
London EC4A 3BZ

Nabarro LLP
125 London Wall
London
EC2Y 5AS

Legal Advisers, Corporate

CMS Cameron Mckenna Nabarro
Olswang LLP
125 London Wall
London
EC2Y 5AS

Building and Construction Advisers

Watts
1 Great Tower Street
London
EC3R 5AA

**Valuer of the Unit Trust's
Property Assets**

Jones Lang LaSalle
40 Bank Street
Canary Wharf
London E14 5EG

2. SUMMARY OF TERMS

The following summary is not intended to be complete and is qualified in its entirety by reference to the remainder of this Memorandum and the Trust Deed, all of which will be provided to Investors and should be reviewed carefully. To the extent that there is any inconsistency with this Memorandum, the provisions of the Trust Deed will prevail. The offering made in this Memorandum is subject to modification, cancellation or withdrawal by the Fund Manager at any time. Prospective investors are reminded that they should read this document in its entirety and are urged to seek professional advice as to the implications of investment in the Trust.

2.1 The Fund Structure

The Trust	<p>The Diversified Property Fund for Charities is an unregulated Exempt Unit Trust.</p> <p>The Trust was established by the Trustees on 12 February 2015. References to the Trust shall include, where the context permits, the Trustees acting in its capacity as trustee of the Trust.</p>
Trustees	Sanne Group Nominees 1 (UK) Limited & Sanne Group Nominees 2 (UK) Limited.
FCA Operator	Sanne Fiduciary Services (UK) Limited
Fund	The Diversified Property Fund for Charities.
Fund Manager	Eskmuir FM Ltd
Asset Manager	Eskmuir Asset Management Ltd
Investors	<p>Investors are charities that subscribe for Units in the Trust. All Investors must be Eligible Investors.</p> <p>Investors will have no right to participate in the management of the Trust, to act for the Trust, or to vote on any Trust matters except as specifically provided under applicable law or the Trust Deed.</p>

2.2 The Offering

Target Trust Size	The target size of the Trust is a minimum of £200 million.
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Closings	<p>Commitments may be accepted from Investors on such Closing dates as decided by the Trustees and the Fund Manager.</p> <p>Investors may also be required to pay a Preliminary Charge of up to 2% of the Unit NAV.</p>
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2.3 The Fund's Investment Objective

Investment Objective	<p>To invest in a diverse portfolio of UK real estate, predominantly across the three commercial sectors of retail, industrial and office. The Trust will hold the real estate assets directly or indirectly and will utilise gearing of up to 20% as working capital, required to facilitate transactions.</p> <p>The Fund has a projected IRR of circa 7-9% ungeared over 5 year rolling periods. There is no guarantee that this target will be achieved. We anticipate the majority of returns to be delivered through income, with target capital appreciation at least in line with inflation.</p>
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2.4 The Fund's Investment Strategy

Investment Strategy	<p>To deliver a sustainable distribution yield whilst maintaining and increasing capital values principally through investing in UK multi-let properties, with diversified income streams in strong locations, offering the potential to be asset managed to "add value" through enhancing income and capital values.</p> <p>The Fund will seek to utilise the specialist real estate asset and fund management expertise of the Fund Manager and Asset Manager to source and actively asset manage properties which meet the Investment Operating Criteria of the Fund whilst seeking to optimise returns to Unitholders through adopting 'best practise' principles.</p>
Investment Operating Criteria	<p>The following Investment Operating Criteria shall be targeted and observed, save for where diversions from the criteria are deemed appropriate and are agreed by the Investors' Committee:</p> <p>(a) at the time of investment in that asset, no single asset shall exceed in value 15% of the Fund's gross asset value;</p>

	<p>(b) no one tenant/group may represent more than 20% of the Fund's net rental income immediately after any acquisition of an investment exposed to that tenant/group;</p> <p>(c) at portfolio level the exposure to any UK region, as defined by IPD (except London and the South East), is to be limited to 35%;</p> <p>(d) a minimum Net Initial Yield (on a stabilised basis) of 5.5% on acquisition; and</p> <p>(e) a diversified portfolio of assets, predominantly within the three commercial property sectors of retail, office and industrial, is to be targeted, subject to prevailing market conditions and sector performance.</p> <p>For the above purposes, the Gross Asset Value ("GAV") will be calculated at the time of acquisition or disposal of the relevant Investment, or in the case of Investments made during the first 3 years of the Trust, at the end of the third year.</p>
	<p>The Fund Manager and Asset Manager will endeavour to adhere to the Investment Operating Criteria and in the event of any breach will endeavour to bring the Fund back within the Investment Operating Criteria as soon as practicable.</p>

2.5 Subscription for Units

<p>Subscription Timing</p>	<p>Investors may be admitted to the Trust on any Closing date as determined by the Fund Manager. The Fund Manager intends to operate Closings quarterly but in practice, Closings will occur as and when requested by Investors. Commitments will be made on each closing date, drawn down and Units issued on 10 Business Days' notice. The price per Unit will be at Unit NAV as at the Valuation Date immediately preceding payment.</p>
<p>Issue of New Units</p>	<p>Units may be issued at any time provided all prior Commitments have been drawn down and will be based upon the latest available Unit NAV plus a Preliminary Charge of up to 2%.</p>

Valuation Date	31 st December, 31 st March 30 th June and 30 th September and such other date as the Trustees may determine in their sole discretion.
Redemption of Units	<p>The Trust will be open-ended. There will be limited redemption rights each year.</p> <p>No investor may redeem any units in the first 18 months from Commitment.</p> <p>After the initial 18 months Unit redemptions of up to 25% of Units then in issue will be permitted each year, calculated to be a maximum of 6.25% per quarter.</p> <p>Redemptions will be at Net Asset Value ("NAV") less a Realisation Charge of up to 2%.</p>
	<p>Redemptions will be made within 6 months of the end of each quarter in which the request is made. The Fund Manager may suspend redemptions for up to 24 months where it believes this would be in the best interests of the Unitholders as a whole.</p> <p>This is a summary of the redemption policy, the full detail is contained in Section 9, <i>Dealing In Units</i>.</p>

2.6 Commitments and Drawdowns

Minimum Commitment and Additional Commitment	The minimum Commitment will be £250,000 and the minimum Additional Commitment will be £50,000, subject in both cases to the Trustees' absolute discretion to accept lesser amounts, which for the avoidance of doubt will be subject to any prevailing regulatory restrictions.
Minimum Holding	The minimum holding of each Unitholder during the life of the Trust will be £250,000, subject to the Trustees' absolute discretion to allow lesser amounts, which for the avoidance of doubt will be subject to any prevailing regulatory restrictions.
Currency	The Fund will be Sterling denominated.

<p>Drawdowns</p>	<p>The Fund Manager intends to operate drawdowns quarterly, but in practice will occur as and when the Fund requires cash or investment. Drawdown Notices will be served with 10 Business Days' notice with Units issued based on the Unit NAV, determined at the preceding Quarter Day.</p> <p>On or before the date specified in the Drawdown Notice from the Trustees each investor shall advance such portion of its Commitment as specified in the Drawdown Notice.</p> <p>The payment will be made in Sterling and should be made in accordance with the terms of the Drawdown Notice and the Investor's Subscription Agreement.</p> <p>The Investor will be issued fully paid Units to the extent that the Commitment is paid by the Investor.</p>
	<p>Investors will receive at least 10 Business Days' notice of drawdowns (although they may waive this requirement).</p> <p>Drawdowns are prioritised in date order; the oldest outstanding undrawn Commitment being drawn first. Where there is more than one Investor with the same (oldest) date of subscription then drawings are calculated as a percentage of all undrawn Commitments as of the same subscription date</p>
<p>Default Provisions</p>	<p>If an Investor fails to advance to the Trust the amount that is the subject of a Drawdown Notice on or before the payment date specified in the Drawdown Notice the Trustees will issue a Default Notice to such Investor requiring it to remedy such default by advancing the amount required together with interest on the unpaid amount for the period of default assessed at the rate of 10% per annum calculated daily.</p> <p>The defaulting Investor will, whilst payment remains outstanding, cease to be entitled to any distributions made by the Trust and will be liable to pay any additional costs associated with any borrowing made necessary by reason of its default.</p>

	<p>If the defaulting Investor fails to make payment within 20 Business Days from the date of issue of the Default Notice, the Trustees may, in their absolute discretion, (i) exercise their lien in respect of the Units of the defaulting Investor and may transfer the Units of the defaulting Investor for an amount equal to not less than 85% of the Unit NAV at the most recent Valuation Date (the proceeds of such sale to be applied in payment of the default amount, interest thereon and any costs payable by the defaulting Investor), and/or (ii) cancel the outstanding Commitments of the defaulting Investor.</p> <p>The Trustees may, in their absolute discretion, either issue a further Drawdown Notice to other Investors to make up the shortfall of a defaulting Investor, or accept new Investors in the place of the defaulting Investor.</p> <p>The date of the Default Notice and the date of the Drawdown Notice will be deemed to be the date such notice was sent to the address of the Investor or Unitholder, as recorded on the Unit register regardless of the actual date of receipt of such notice.</p>

2.7 Costs, Fees, Expenses and Borrowings

<p>Management Fee</p>	<p>Management Fees are payable to the Fund Manager and the Asset Manager by the Trustees on behalf of the Trust prior to any distributions.</p> <p>During the life of the Fund the Management Fee charged to the Trust by the Fund Manager and Asset Manager combined is 0.6% of the GAV of the assets of the Trust per annum.</p> <p>The Management Fee will be paid quarterly in arrears, pro rated where necessary, and the amount stated is exclusive of any applicable value added tax or sales tax or similar. As the Management Fee is based on a percentage of GAV, the relevant GAV for the purposes of the calculation will be the GAV at the relevant Quarter Day.</p>
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Trustees' Fees	<p>The Trustees will undertake trustee and administration services for the Fund. Trustees' Fees are detailed in Section 12, <i>Fees, Costs and Expenses</i>.</p> <p>A charge for time spent on dealing with non-routine matters is to be agreed with the Fund Manager from time to time by separate letter.</p> <p>These fees are based on an expected activity level and are subject to an increase every year in line with the retail price index and as agreed by the Fund Manager. Should the activity level exceed that envisaged, further ad valorem fees would be charged. Full details of the fee arrangement are available on request from the Fund Manager.</p>
Operating Expenses	<p>The Trust will indirectly bear all fees, costs and expenses attributable or related to the Fund's activities and objectives. These fees, costs and expenses include, but are not limited to, (i) payment to the Fund Manager and Asset Manager of drawings on account of the Management Fee; (ii) all audit, reporting, regulatory, Trust meetings and legal costs; and (iii) winding up expenses ("Operating Expenses").</p> <p>The Trust will also bear all fees, costs and expenses of such vehicle, or other investee vehicles, including but not limited to any applicable underlying set up costs, operating costs, transaction costs and fees.</p>
Working Capital Borrowings	<p>Borrowings may be drawn to facilitate transactions up to a maximum LTV ratio of 20% of GAV save where a variation (in each case) is approved pursuant to consent of the Investors' Committee.</p>

2.8 Distributions

Distributions	<p>Distributable Income receivable by the Trust will be paid to Unitholders quarterly in arrears.</p>
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2.9 Term of the Fund

<p>Fund Term</p>	<p>The Fund is Open Ended and has a fixed term of 50 years unless terminated earlier for reasons set out below.</p> <p>The Fund may be terminated early in the following circumstances:</p> <ul style="list-style-type: none"> • If any law shall be passed which renders it illegal or in the opinion of the Trustees impracticable or inadvisable to continue the Trust; • If the Trust shall become liable to taxation (whether in the United Kingdom or elsewhere) considered by the Trustees (with the approval of the Fund Manager) to be excessive in relation to the rate which would be borne by the Unitholders if they owned directly the assets comprising the Trust assets. • By an Ordinary Resolution following where the realisation of Units has been postponed for more than 24 months; or • At any time by an Extraordinary Resolution.
<p>Removal of the Trustee</p>	<p>The Trustees may only be removed by an Extraordinary Resolution but shall not be entitled to retire except upon the appointment of a new trustee.</p>
<p>Removal of the Fund Manager</p>	<p>The Fund Manager may only be removed for Cause and as approved by an Ordinary Resolution. The termination of the Fund Manager's appointment shall automatically terminate the appointment of the Asset Manager and any other Affiliate of the Fund Manager appointed by the Trust.</p>

2.10 Reports, Accounts and Governance

<p>Accounting Standard</p>	<p>The Fund will follow the accounting standards of FRS102 and Statement of Recommended Practice: Financial Statements of UK Authorised Funds, NAV will be calculated by reference to the INREV Guidelines.</p>
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Reporting	<p>Annual audited accounts will be published 6 months following each Accounting Date.</p> <p>Quarterly unaudited management accounts and Unit NAV statements will be published within two months after each Valuation Date.</p> <p>A draft of the quarterly unaudited management accounts will be available 20 Business Days after each Valuation Date.</p> <p>The estimated Unit NAV and INREV Unit NAV will be provided to Unitholders 20 Business Days after each Quarter Day.</p>
Audited Unit Price	<p>The Trust will provide audited Unit NAV statements on an annual basis for the period ending on 30 September. The Trust has until 31 March to issue the audited Unit NAV for the preceding calendar year.</p>

2.11 Indemnification and Related Issues

Indemnities	<p>The Trustees (and any officer, director, shareholder, agent and employee of it) shall be entitled to recover (and each of the Trustees and the Fund Manager shall be entitled to be indemnified) out of the assets of the Trust all such monies which the Trustees or the Fund Manager shall be liable to pay in respect of any actions, proceedings, claims, costs, demands, losses and expenses whatsoever (including any claim for reasonable legal fees or for any taxation duty or levy or amounts in respect of such duty or levy) which may be brought against or suffered or incurred by any of them in relation to the Trust or the carrying out of their respective duties in relation to such Trust or the execution of any powers or discretions conferred on them provided that there shall be no entitlement to payment recovery or indemnity hereunder to the extent that the actions, proceedings, claims, costs, demands, losses, expenses, taxation, duty or levy for which payment, recovery or indemnity is so claimed arise as a result of the fraud or negligence of the party claiming the payment recovery or indemnity.</p> <p>The members of the Investors' Committee will be entitled to a similar indemnity from the Trust.</p>
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	<p>Neither the Trustees nor the Fund Manager shall be liable to any Unitholder or to the Trust for the negligence, dishonesty or bad faith of any agent or employee acting for it or on behalf of the Trust, provided that such agent or employee was selected, engaged and retained by the Trustees applying reasonable care.</p> <p>Neither the Trustees nor the Fund Manager shall be liable to any Unitholder or to the Trust if for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed in relation to the Trust.</p>
Investor/Unit holder Liability	<p>Investors and Unitholders will not be liable to make Commitment payments in excess of the Commitment specified within their Subscription Agreement.</p> <p>Investors and Unitholders will not be individually obligated with respect to the above indemnities beyond the amount of their Commitment (which includes their undrawn Commitment).</p> <p>Investors and Unitholders have the option to cancel any undrawn Commitments after 12 months upon written confirmation to the Trustees.</p> <p>Investors and Unitholders will provide an indemnity to the Trust against any tax to which the Trust may be assessed and against any related professional fees, interest and costs as a consequence of the Fund ceasing to be or never having been wholly exempt from SDLT and/or capital gains tax and corporation tax on capital gains and/or ceasing or never having been an Exempt Charity Fund.</p>

2.12 Governing Law

Governing Law and Jurisdiction	The Trust will be governed by the laws and regulations of England and Wales.
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3. **WHY INVEST?**

The following points present a compelling case to invest in the Diversified Property Fund for Charities:

- **Returns** – 6-7% per annum target income return to investors. The Funds investment strategy has been devised to generate a reoccurring income. Additionally, a rolling five year internal rate of return of 7-9% is targeted
- **Tax efficiency** – the tax status of the fund reflects a charity tax status i.e. no corporation tax, no income tax, no capital gains tax and no stamp duty land tax
- **Liquidity** – Investing in real estate through an indirect investment introduces some liquidity to a fairly illiquid asset class
- **Specialist Asset Managers** – The Eskmuir team is made up of experienced asset managers who have a proven track record of delivering returns to charity investors. Eskmuir has delivered over 25 successive years of dividend growth to its investors along with admirable real capital appreciation.
- **Real Estate Asset Class** – Offers diversity to an investment portfolio of equities and Bonds with a relatively low volatility of returns over the medium to long term.

3.1 **Advantages of Indirect Investment and the unit trust structure**

3.1.1 Commercial Real Estate Management Specialism

In order to maximise the performance of investment in and the ongoing management of commercial real estate assets a specialist manager is required. The manager will devise and implement 5 year asset plans for each of the property assets. This structured approach allows for potential income and value enhancing initiatives to be identified and delivered generating performance.

The diverse network of relationships and contacts built up over a number of years' experience in this specialist sector enable a manager to access off market investment transactions and to build up relationships of trust with occupiers which can often secure repeat business.

Eskmuir has delivered over 25 successive years of dividend growth to its investors with an average dividend of 10.9% on the original investment along with capital appreciation in line with RPI plus 323%. The team at Eskmuir understand the drivers of real estate performance and how to transact effectively.

Paul Hodgson, Managing Director, and John Sullivan, Associate Director are two key members of the Eskmuir real estate team

both with considerable experience in real estate investment transactions and asset management.

3.1.2 Diversification

The investment strategy of the Trust is devised to provide a risk weighted approach to diversity and performance. Multi-let investments allow for the occupier base to be diversified to such an extent that should any one tenant fail it would not have a material impact on the portfolio's rental income ensuring a re-occurring dividend is not threatened. Through initially targeting investments in the £2m - £10m range, no one asset will have a disproportionate impact on the Trust's performance. (see 2.4 *The Fund's Investment Strategy*).

3.1.3 Economies of Scale

Investing in property through a fund can offer economies of scale in the purchasing of services such as valuations or expert property managers. The asset and fund managers can draw on the expertise of their team of specialist dedicated advisers on the investment, management and administration functions. The lumpy nature of property investment can be smoothed through investors choosing the amount they wish to invest.

3.1.4 Risk Managed Exposure to Borrowings

The Fund may utilise up to 20% of debt to facilitate transactions, active asset management initiatives and, at the manager's discretion, redemption requests. The management team has a demonstrable track record of experience in the commercial real estate sector and has senior debt relationships that will assist in securing favourable debt terms.

3.1.5 Liquidity

The Trust offers unitholders the ability to sell all or part of their holdings in a matching exercise with other investors, (note all investors must be a charity) or through redemptions. As the size of the Fund grows and the number of investors increases the level of liquidity is likely to increase.

3.1.6 Tax Efficiency

The Trust has been set up with HM Revenue & Customs (HMRC) approval to its tax status. This mirrors as closely as possible the tax status of a charity with no stamp duty land tax, capital gains tax, corporation tax or income tax being incurred.

3.1.7 Corporate Governance

The Trust is structured and administered in compliance with the AIFMD regulations as implemented in the United Kingdom, including the appointment of an Alternative Investment Fund

Manager (the Fund Manager, which is a small registered AIFM) and an FCA-authorized operation. Additionally, the Investment Advisory Board offers wise counsel in the stewardship of the Fund.

3.1.8 Collective Investment

The Trust enables likeminded investors with common objectives and tax status to access a sector of the real estate market which is not readily accessible to them individually due to the characteristics and demands of that asset class.

4. INVESTMENT STRATEGY

Summary

The Fund's investment strategy is to buy, predominantly multi-let, commercial properties as well as properties with value add potential in strong growth locations. There will be a bias against investing in speculative development properties due to their higher risk profiles.

The portfolio will be managed to drive income to deliver the Fund's projected income distribution return of 6%-7% per annum. Voids and non-recoverable costs will be minimised to ensure sustainability of income. Assets with good capital growth prospects will also be sought, to maintain capital value in real terms.

Performance of the Fund will be continually monitored and benchmarked against its peers. The Fund is an investment fund and so assets will not be traded on a regular basis. However, where the performance of the Fund can be enhanced, assets may be disposed of and replaced with new stock.

Multi-let properties are generally valued reflecting the tenant's contractual position under their lease. At a lease expiry an income void and costs are allowed for. The Independent Property Databank (IPD/MSCI) data on this demonstrates more than 30% of tenants do not vacate at lease expiry and more than 80% of tenants do not vacate when they have a break option in their lease. The IPD/MSCI data shows there is additional value in multi-let properties which is not always reflected in their valuations.

The portfolio will be structured to minimise risk through sector, geographical and occupier diversification and to generate a dependable income return in line with the Fund's projected range. The Fund will be grown through acquiring stock in line with the acquisition strategy, to:

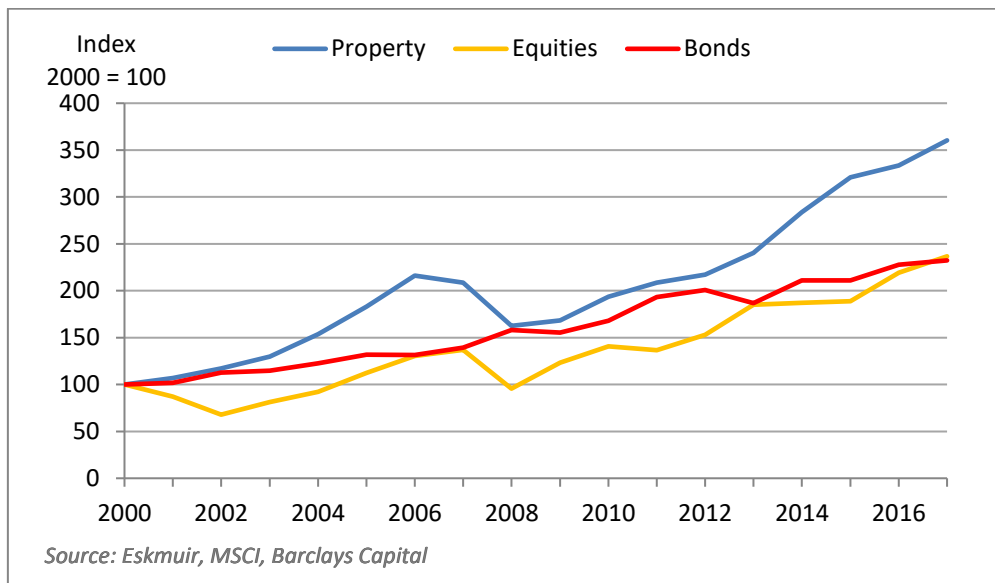
- Deliver annual income returns in line with the Fund's target range of 6-7% pa and a target Internal Rate of Return of 7-9% over five years;
- Avoid fluctuations in levels of income return, where possible, by spreading income risk and driving income return through multi-tenanted properties;
- Establish a geographically diverse portfolio focusing on areas of strong economic growth;

- Invest in properties that correlate strongest to occupier demand;
- Deliver active management initiatives to further enhance income and capital returns.

Introduction

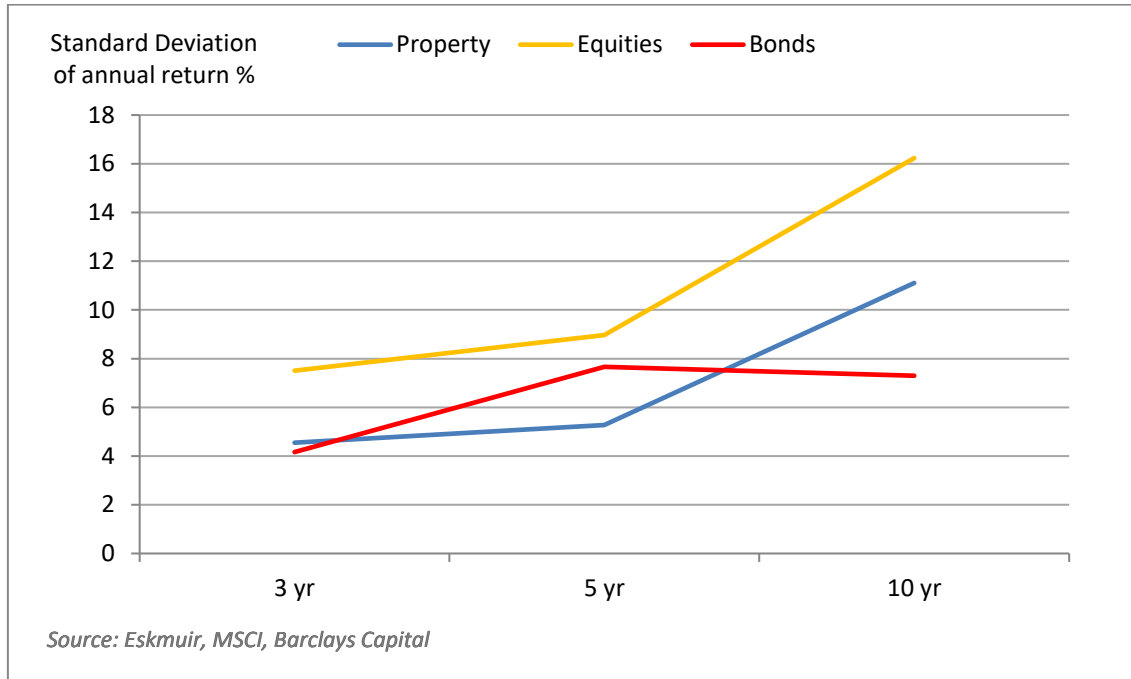
The total annualised return from commercial property has shown out performance of the other major asset classes (gilts and equities) in the medium and longer term as detailed in the graph below.

Annualised Total Return



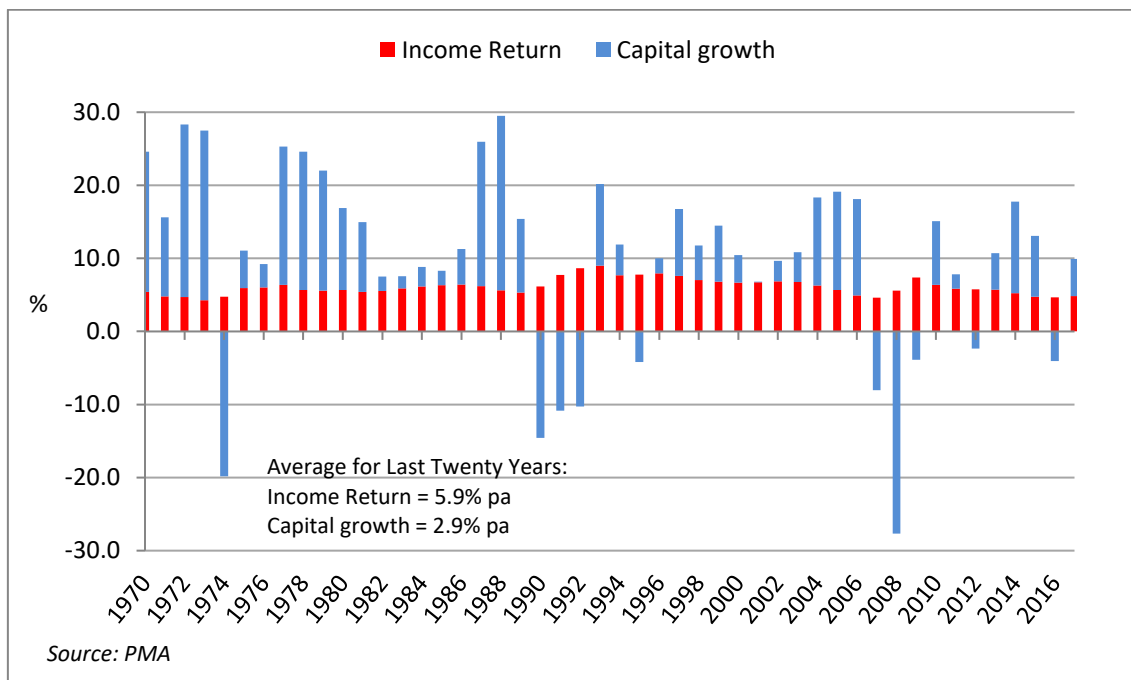
Property returns remain traditionally less volatile than equities (based on the all share indices) and returns from commercial property continue to offer significant investment diversification and tax efficiency for Charity investors.

2008-2017 Total Return Volatility



Between 1970 and 2017 commercial real estate generated an annualised income return of 6.1% and annualised capital growth of 5.2%.

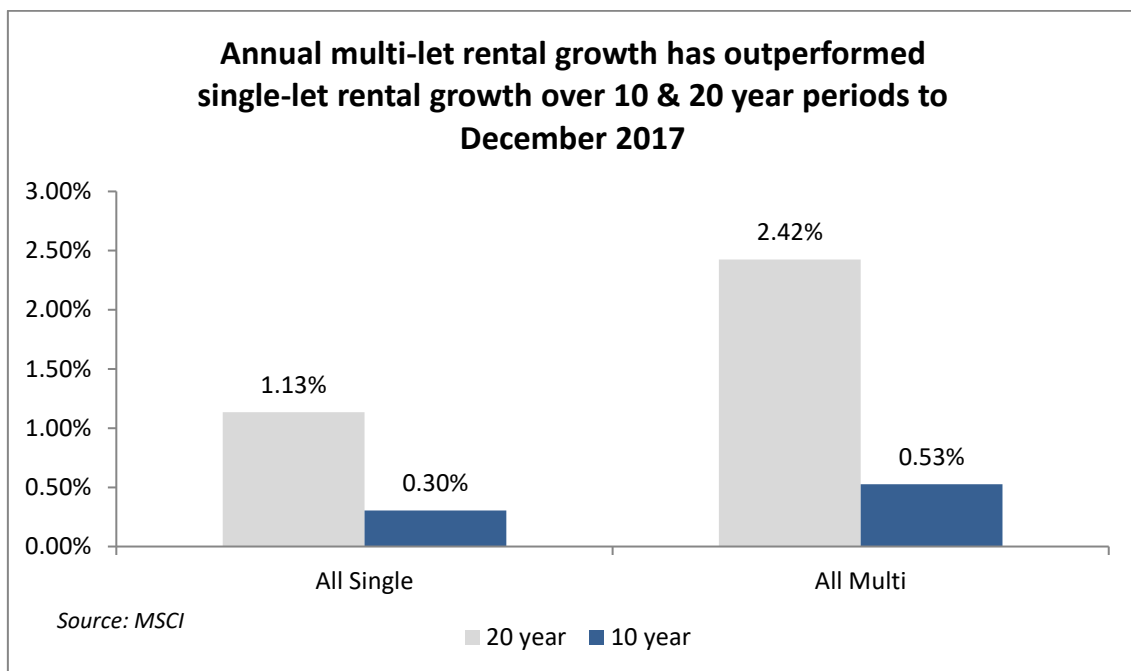
1970 – 2017 Comparison of Income and Capital Returns



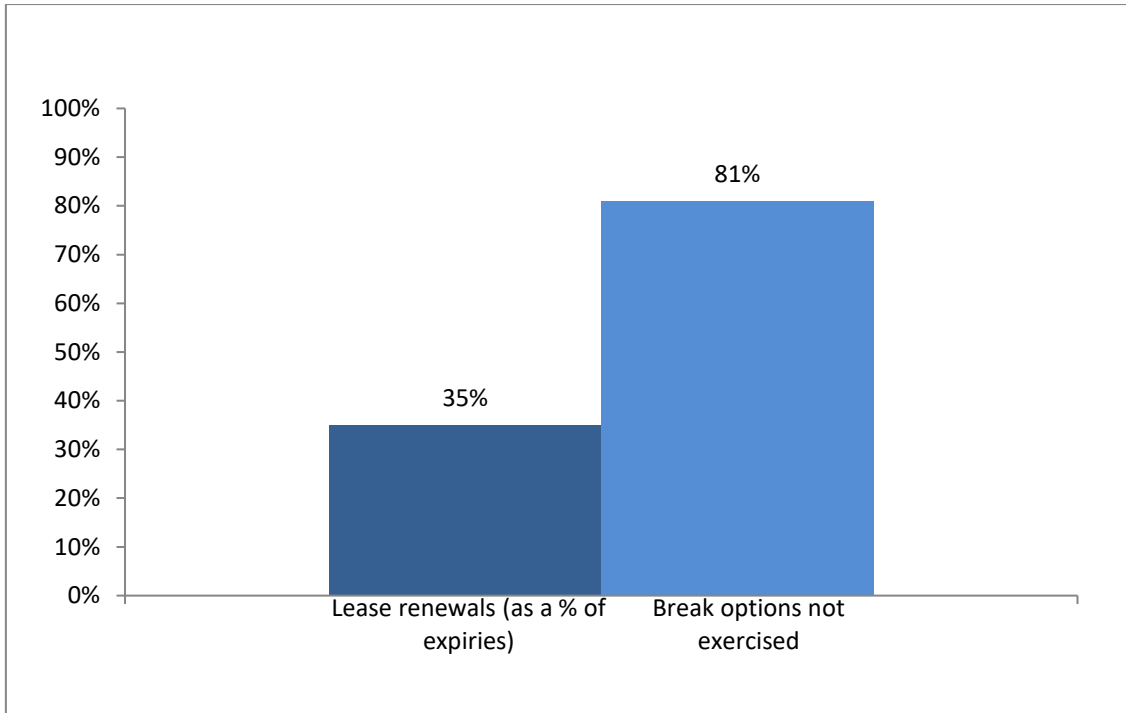
Following the financial crisis of 2009 and the June 2016 UK EU referendum there has been a resurgence in values for prime property investments led by strong yield compression in the City of London and West End retail and office markets. Values of secondary and multi-let assets have also picked up, but further improvements are expected as occupier demand fuels rental growth, especially for better quality secondary properties in good locations.

The Fund will acquire good quality, principally multi-let, commercial property investments that have prospects for strong income growth in line with the Fund's projected annual income distribution return of 6-7% and prospects for capital growth at least in line with the rate of inflation.

The Fund will specifically target multi-let commercial properties as research has shown that rental growth for multi-let properties has outperformed rental growth for single let properties as can be seen in the data sets below.



Multi-let properties are generally valued reflecting the tenant's contractual position under their lease i.e. assuming the tenants vacate at lease expiry or activate tenant break options. At these lease events an income void and costs (business rates, service charges etc) are allowed for. The IPD data on this below demonstrates all tenants do not vacate at these lease events. The stronger occupation position this suggests is additional value in multi-let properties which is not always reflected in their valuations. Additionally, Eskmuir's proactive approach to lease events supports tenant retention and an out performance of IPD. This is also supported by Eskmuir's property vacancy rate being consistently much lower than IPD's.



Source MSCI

Once acquired, properties will be proactively managed to drive income returns through efficient daily management and the implementation and delivery of active management initiatives.

Throughout the life of the Fund the portfolio will be monitored and benchmarked against its peers and when necessary realigned by disposing of underperforming assets and acquiring new properties.

Investment Criteria

General Criteria

The Fund will target multi-let commercial properties within the UK, in areas of forecast economic growth, such as the South East, East, South West, Central and Greater London. Additionally, well located investments in other regions will be considered on their merits.

Stock will be selected that matches current and projected future demand of local occupiers, generates a reliable income stream and has a multi-let tenant base to drive returns and diversify income risk.

There will be a preference towards investing in "modern" stock (30 years old or less) or refurbished investments whose design and specification will more closely match the needs of current and future occupiers, and a bias against older stock which typically experiences greater obsolescence and maintenance costs.

There will be a further bias against investing in completely speculative development projects due to the heightened risk profiles associated with such investments.

To aid diversification, a target lot size of £2m-£10m per property will be employed to reduce the risk of over exposure to a single property within the portfolio, offering enhanced diversity.

Stock Selection

Throughout the life of the Fund, research and analysis will be carried out to inform stock selection on acquisitions and disposals. This will involve identifying, through top down and bottom up appraisals:

- The key drivers for performance of commercial property returns including UK and regional investment characteristics and local rental and capital growth;
- Which sectors (offices, retail, industrial, leisure etc) and property types (size, specification etc) will deliver robust returns and rental and capital growth in line with the Fund's projected rates;
- The strongest locations at regional and local levels for economic performance, for dependable returns and for rental and capital growth over the short, medium and longer term;
- Areas with the strongest employment growth and inward investment as both have a correlation with rental growth through increased occupier demand.
- Mispricing opportunities to deliver instant returns;

This research led approach will assist in identifying where there is an imbalance between supply and demand, scope for dependable medium to long term returns and opportunities for rental and capital growth.

Summary

Properties will be selected that meet the investment selection criteria:

Lot Size

Circa £2m-£10m per property.

Tenure

Freehold or long leasehold properties, with a preference for freeholds or long leasehold properties that do not have high or geared ground rents, and have flexible covenants on use and alterations.

Tenancies

Multi-let properties with a mixture of short and medium term lease lengths, with regular rent review patterns either to open market rents or fixed uplifts, where they meet with the Fund's requirements for income growth.

Property Type, Size and Sector

These will be selected to suit occupier demands in targeted locations. Properties will be fit for purpose so as to avoid high maintenance costs and obsolescence.

Location

Within the UK, in areas of economic growth and occupier demand.

Working Capital Borrowings

The Fund will maintain a conservative debt facility (maximum of 20% of Fund Gross Asset Value) to accommodate opportunistic purchases, the timing of investor subscriptions coinciding with asset purchases, working capital from added value initiatives and, at the Fund Manager's discretion, investor liquidity requirements.

Acquisition Strategy

The Fund's acquisition strategy is as follows:

Diversify income risk and deliver enhanced returns through multi-tenanted properties: multi let properties offer a diverse tenant base, a robust income stream and rental growth potential. Single tenant properties will also be considered as part of the portfolio as a whole if they offer the potential to add value.

Grow income through active management initiatives: Active engagement with tenants can enhance income streams through increasing the frequency with which tenants renew their leases, decreasing the number of break options exercised, letting void properties to tenants with demands for more accommodation and improving tenants' properties in return for increased rental payments. Increased occupancy decreases void costs.

Focus investment in areas of economic growth: research led investment in areas where employment and occupier demand will support rental and capital growth. Preferred locations will have favourable demand and supply imbalances.

Establish a geographically diverse portfolio: to polarise investment in areas selected to maximise returns and minimise the risk of any one area underperforming.

Target properties that most strongly match occupier demand requirements: to maximise income generation and preservation, deliver rental growth, minimise void costs and reduce the risk of obsolescence.

Avoid high volatility: Certain sub-sectors, for example City office buildings, see their values increase and decrease to a greater extent than other sub-sectors. A cautious approach to such assets is to be adopted, with a preference to acquire stable, steadily performing assets.

Acquisitions

Acquisitions will be made where the strength of the location is attractive to the occupier market. Target areas will be locations within towns, cities and established commercial districts.

All acquisitions will meet the Fund Investment Operating Criteria and will be subject to satisfactory pricing being obtained.

Investment Process

The Fund portfolio and investment strategy will be reviewed regularly by the Fund Manager and the Asset Manager. The investment strategy review will involve updating market forecasts and trends and highlighting variances to commercial property sector fundamentals, against which the tactical asset allocation between location and sector can be objectively weighed. Each existing property will be appraised annually, to identify expected performance. The top down/bottom up approaches will be combined to decide if any existing assets should be disposed of. This approach should ensure the Fund is best placed to deliver attractive performance.

The top down review will look at industry research and property sector forecasts, in combination with in-house views and market analysis. The team will also draw on research produced by other investment professionals and leading economic and property market analysis and research providers such as Oxford Econometrics, Property Market Analysis (PMA), Investment Property Databank (IPD) and Property Market Information Service (PROMIS).

The Asset Manager will prepare the proposed strategy for discussion with the Investment Advisory Board ("**IAB**"). The Fund Manager will ensure the strategy adheres to the Investment Operating Criteria and/or Trust Deed. The Fund Manager will maintain the Fund's financial forecasting model, which ensures efficient cash management and risk management. The financial model simulates the prospective performance of each property in the Fund taking into consideration the individual characteristics of each property.

Investment opportunities will be sourced by the Asset Manager through an extended network of industry contacts. The Asset Manager will present the full investment case for each prospective asset purchase first to the IAB and then to the Fund Manager. The investment case will include modelling the effect of the proposed purchase on the existing portfolio and appraise the purchase in the light of the Investment Operating Criteria. The Fund Manager will interrogate the recommendation to purchase, including considering the risks of the investment and ensuring the opportunity complies with the Investment Operating Criteria and give written permission to proceed, before the Asset Manager concludes the acquisition of the property.

The team will undertake appropriate due diligence on prospective investments and handle negotiations prior to instructing external valuers, solicitors and tax advisers (where required). As part of the due diligence process, the team will procure, where appropriate, building, structural, mechanical, electrical and environmental surveys to ensure the Fund is not exposed to properties with issues that may detrimentally affect performance. These investigations will be in addition to the usual legal title and valuation reviews.

Decisions in respect of acquisitions, realignment of the portfolio, disposals and ultimate exit strategy lie with the Fund Manager based on the information supplied by the Asset Manager having consulted with the IAB.

Trading is not permissible under tax rules governing the Fund as an investment fund. Disposals may, however, be appropriate if an asset is no longer compliant with the Investment Operating Criteria, is not performing well, has not met the objectives

under its asset plan or is not in compliance with the Fund's aspirations under its Environmental and Social Governance policy. Such sales would be incidental to and not a large part of the portfolio.

Active Management

The Asset Manager is tasked with identifying and implementing active management opportunities to enhance and maintain income streams and value. Such initiatives include:

- Maintaining a dialogue with tenants to identify opportunities to extend or enhance income and reduce risk. Where possible removing tenant break options and renewing leases early.
- Instructing agents to re-let vacant premises at the best terms achievable to enhance rental tones and to minimise void costs;
- Undertaking refurbishments, extensions and reconfigurations to offset obsolescence and match tenant requirements, to improve demand;
- Minimising the Fund's property management cost by re-letting empty properties quickly and prudently managing service charge and other operating expenses; and
- Ensuring rent collection rates are maximised through a proactive credit control strategy.

Disposal Strategy

Regular reviews (at least once per annum) of individual properties and properties grouped by location and by sector will be conducted to assess their ongoing performance against the Fund's investment performance projections, with those that fall short being highlighted as potential disposals. The capital released by any sale will be reinvested in the purchase of stock that complies with the Fund's Investment Operating Criteria.

The balance of the portfolio in terms of its sector and geographical spread and the forecast performance of those sectors and locations will also be monitored and if certain sectors or locations are considered over represented or likely to under-perform, the Fund may be realigned through the disposal of targeted assets and reinvestment in sectors / locations that are considered under represented or likely to perform more strongly.

Disposals may also be required if nonconforming assets are purchased as part of the acquisition of a portfolio of assets. Occasionally it may be necessary to acquire assets that do not meet the preferred investment criteria as part of a portfolio in order to secure properties that do.

Investment Operating Criteria

The following criteria will be targeted; however, with effect from the third anniversary of the launch of the Fund, the following Investment Operating Criteria shall be observed save for where material diversions from the criteria are deemed appropriate by the Investors' Committee:

- (a) at the time of investment in that asset, no single asset shall exceed in value 15% of the Fund's gross asset value;
- (b) no one tenant/group may represent more than 20% of the Fund's net rental income immediately after any acquisition of an investment exposed to that tenant/group;
- (c) at portfolio level the exposure to any UK region, as defined by IPD (except London and the South East), is to be limited to 35%;
- (d) a minimum Net Initial Yield (on a stabilised basis) of 5.5% on acquisition; and
- (e) a diversified portfolio of assets predominantly within the three commercial property sectors of retail, office and industrial is to be targeted, subject to prevailing market conditions and sector performance.

For the above purposes, the Gross Asset Value ("GAV") will be calculated at the time of acquisition or disposal of the relevant Investment, or in the case of Investments made during the first 3 years of the Trust, at the end of the third year.

The Fund Manager and the Asset Manager will use reasonable endeavours to adhere to the Investment Operating Criteria and in the event of any breach will undertake reasonable endeavours to bring the Fund back within the Investment Operating Criteria as soon as practicable.

5. THE TRUST STRUCTURE AND MANAGEMENT

5.1 Formation

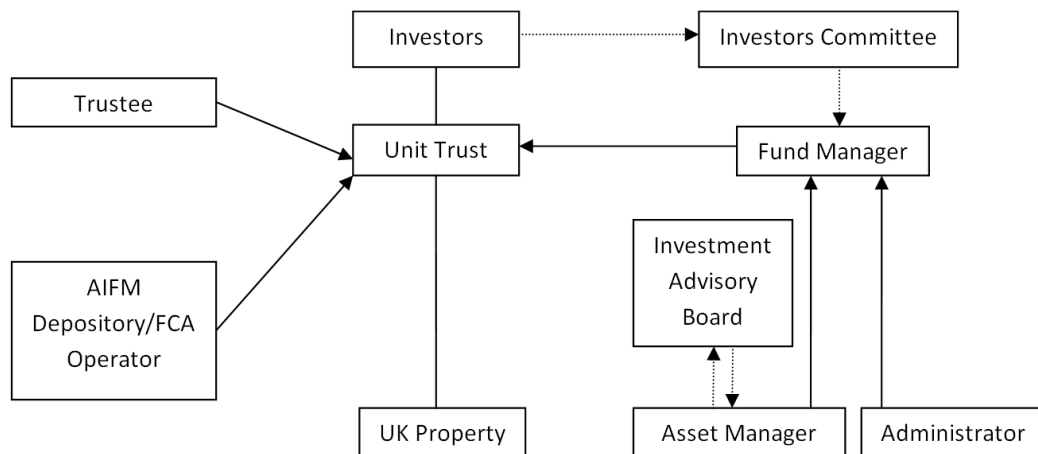
The Trust has been established by the Trustees as an unauthorised exempt unit trust.

The Trust does not have separate legal personality and the management of the Trust is vested in the Trustees in accordance with English law and the Trust Deed.

The execution by an Investor of a Subscription Agreement and/or the acquisition of Units by a Unitholder constitute the subscriber's or acquirer's acceptance of the terms of the Trust Deed.

5.2 Structure

The Trust invests in direct UK property and, where appropriate, entities owning UK property.



5.3 The Trustees

The Trustees of the Trust are Sanne Group Nominees 1 (UK) Limited and Sanne Group Nominees 2 (UK) Limited both subsidiaries of Sanne Group (UK) Limited. Sanne Group (UK) Limited was incorporated on 29 August 2006 and has its registered office at 21 Palmer Street, London, SW1H 0AD.

The Trustees role includes administrator functions.

The Sanne personnel responsible for the instruction are Martin Schnaier and Jason Bingham. Martin is the Chief Commercial Officer at Sanne with responsibility for its service offering and commercial development. Martin joined Sanne from a significant investment management company where he was finance director with responsibility for the firm's mezzanine and private equity business. He has 20 years' experience in the finance industry working with institutional funds, venture capital trusts, private equity and debt funds. Jason is based in London where he acts as Sanne's Head of Real Estate and is

responsible for the strategic governance of the real estate division and its services. He has over 15 years' experience in the financial services industry having worked in both Jersey and London. He joined Sanne from a global financial services organisation where he had responsibility for the firm's London customer operations team servicing its UK alternatives fund and corporate administration business.

The Trustees shall not be entitled to retire voluntarily except upon the appointment of a new Trustee. If within three months of the date of the Trustees notifying the Fund Manager of their desire to retire, no new Trustee has been appointed, the Trustees shall be entitled to appoint a, suitably qualified, new Trustee in their place.

The appointment of a replacement Trustee will be subject to approval by Extraordinary Resolution.

Where the Trustee or the directors of the Trustee are referred to in this Memorandum as taking any action, it shall be understood that the Trustees will be taking such action in their capacity as trustee of the Trust (unless otherwise specified). Moreover, any reference to actions of the Trust shall be understood as reference to actions of the Trustees, acting in their capacity as trustees of the Trust.

The Trustees are responsible for implementing the investment remit of the Trust (to invest in UK property and entities owning UK property, as further described in para 5.2) based on the advice received from the Fund Manager, acting consistently with the Investment Operating Criteria. The Trustees will oversee the management of the assets of the Trust in the interest of the Unitholders in accordance with the provisions of the Trust Deed. The Trustees may appoint, or delegate several of their functions to, third parties as more fully described in the Trust Deed and this Memorandum. Overall responsibility for the management of the Trust remains with the Trustees.

The Fund Manager may also appoint such other agents, including administrators.

5.4 **FCA Operator**

Sanne Fiduciary Services (UK) Limited act as Financial Conduct Authority (FCA) Operator ("**FCA Operator**"). The FCA Operator oversee the relationship between the Trust and the Investors.

The Fund Manager is not authorised under the Financial Services and Markets Acts 2000 (the "**Act**") to carry on any regulated activities under that Act and so it is necessary for Trustees, in consultation with the Fund Manager, to appoint an Operator which is so authorised in order to operate the Fund. The Fund is classified under the UK's Financial Services and Markets Act 2000 as an unregulated collective investment scheme, and the establishment, operation and winding up of such a scheme are regulated activities under the Act.

The Trustees have appointed the FCA Operator pursuant to the Operator Agreement (the "**Operator Agreement**") to provide these services.

The fees of the FCA Operator are borne by the Fund and are set out in the Operator Agreement. The FCA Operator's appointment will continue, unless and until any of the following events occur, in which case the Operator Agreement shall terminate:

5.4.1 The FCA Operator or the Trustees may (without limiting any other remedy) at any time terminate the Operator Agreement by giving written notice to the other party (a "Defaulting Party") upon the happening of any of the following events:

- the bankruptcy, insolvency or voluntary liquidation (except for the purposes of reconstruction or amalgamation) of the Defaulting Party;
- the negligence, fraud, wilful default, bad faith or professional misconduct of the Defaulting Party in connection with the operation of the Fund; and
- the Defaulting Party commits a material breach of the Operator Agreement or the Trust Deed and where such material breach is capable of remedy such material breach has not been remedied within 30 days' of written notice of the same having been served on the Defaulting Party.

5.4.2 The FCA Operator shall promptly notify the Fund if an event (as set out above) occurs or if it becomes aware of any circumstances, which, in the FCA Operator's reasonable opinion, is likely to result in the occurrence of any such event.

5.4.3 The Operator Agreement will terminate on the earliest to occur of:

- the date of conclusion of the winding up or the dissolution of the Fund;
or
- the FCA Operator ceasing to be an authorised person under the FSMA or to be permitted by the FCA to act as operator of an unregulated collective investment scheme or to carry on any other relevant regulated activity.

Investors may direct any complaints in writing to the FCA Operator at, 21 Palmer Street, London, SW1H 0AD or by email to FCAOperator@sannegroup.com (marked for the attention of "The Compliance Officer").

5.5 **AIFMD Depositary**

Once the Fund Manager's assets under management, calculated in accordance with the AIFMD, exceeds the €100m threshold an AIFMD Depositary will be required.

The Fund Manager shall ensure that a Depository is appointed from such time as required in accordance with and subject to the requirements of the AIFMD to:

- (a) ensure the Trust's cash flows are properly monitored;
- (b) hold in custody all Permitted Investments which are AIF Custodial Assets (as defined in the FCA Rules);
- (c) verify the Trust's ownership of Permitted Investments which are not AIF Custodial Assets (as defined in the FCA Rules);
- (d) oversee and supervise the Fund Manager and its performance of the services and the Trust; and
- (e) carry on any other functions either agreed between the Fund Manager and the Depository or required under the FCA Rules or the AIFMD.

The Trustees shall enter into the Depository Agreement with the Depository on such terms as the Fund Manager thinks fit.

The Trustees and the Fund Manager shall ensure that the Depository is granted all necessary powers and authorities to ensure the Depository can perform its obligations under the Depository Agreement, the AIFMD and any other applicable legislation.

The Trustee has the power both to terminate the engagement and appoint a new Depository.

5.6 **Fund Manager of the Trust**

The Trustees have appointed Eskmuir FM Ltd as fund manager of the Trust pursuant to the terms set out in the Trust Deed.

The Fund Manager's appointment may be terminated for Cause by an extraordinary resolution and where it no longer has the requisite regulatory permission to act as manager of the Trust.

The Fund Manager may retire in favour of a body corporate approved by the Trustees, subject to the Trustees first obtaining an Ordinary Resolution of the appointment and remuneration.

The Fund Manager or, where required, the Operator is responsible in respect of the Trust for:

5.6.1 fund strategy:

providing an investment strategy to the Trustees to seek to achieve target investment returns including:

- (a) debt and interest rate hedging strategy including debt facilities and hedging facilities;

- (b) equity strategy including identifying equity requirements and raising equity, if required, and setting the capital raising strategy and managing the raising of capital;
 - (c) exit strategy – providing the strategy in relation to a liquidation of the portfolio and wind down of the Trust, as directed by the Trustees;
- 5.6.2 implementing the investment strategy, including, but not limited to, setting the allocation strategy and weightings;
- 5.6.3 review and approval or rejection of proposals made by the Asset Manager in respect of acquisitions, disposals and asset and property management initiatives, which are within the Investment Policy of the Trust, as stated in the Trust Deed;
- 5.6.4 making recommendations to the Investors' Committee on matters which are outside the authority of the Fund Manager, such as transactions which do not meet the stated Investment Operating Criteria or where a conflict of interest has arisen, for example if the asset considered for acquisition is being sold by the Fund Manager or Asset Manager or one of its group companies;
- 5.6.5 cash management;
- 5.6.6 monitoring the performance of the Asset Manager in its role as asset manager;
- 5.6.7 appointment of the Valuers and client point of contact for property valuations;
- 5.6.8 fund reporting – submission of a quarterly report on the fund and its activities to the Trustees. The reporting duties typically include the following, but may be changed at the request of the Trustees, such requests not to be unreasonable:
 - (a) market commentary;
 - (b) a review of investment performance against the agreed benchmark (typically IPD based);
 - (c) summary of investment sector and geographic weightings relative to benchmark; and
 - (d) summary portfolio valuation data including:
 - (i) Capital value
 - (ii) Movement since last quarter
 - (iii) Initial yield
 - (iv) Equivalent yield

- (v) Reversionary yield
 - (vi) Market Rental Values
 - (vii) Summary of asset level fundamentals including Rent Cover and Profitability analysis
- (e) production of Unit NAV;
 - (f) distribution calculation and payment, income and capital allocations;
 - (g) production and analysis of Management Accounts;
 - (h) summary of Trust capital and income distributions to the Unit holders;
 - (i) summary of the capital structure of the Trust and any undrawn commitments (equity and debt); and
 - (j) summary of the senior debt facility including loan to value, interest cover and interest rate hedging strategy;
- 5.6.9 fund reporting: submission of a summary of key facts to be issued along with the draft Unit NAV 20 Business Days after each Valuation Date;
- 5.6.10 advising the Trustees in relation to tax, regulatory and administration due diligence for the Trust and advising the Trust on the preparation and filing of the Trust tax returns and regulatory approvals, and advising the Trustees in relation to internal management audits, the annual audit of the accounts, compliance with regulatory requirements and Unit pricing;
- 5.6.11 administration matters relating to Investor subscription management, performing the 'Know Your Customer' checks for compliance with anti-money laundering legislation, secondary market dealing and operating a matched bargain service (where appropriate), monitoring adherence to minimum holding requirements; establishment of appropriate disclosures for investors who are non-UK resident; managing voting rights (where appropriate); managing transaction capital expenditure authority matters; managing Subscriptions and Drawdowns of unpaid Commitments; managing funding requests and Unit holder /Investor Resolutions;
- 5.6.12 capital raising includes: drafting and writing the Investor presentation, summarising the key terms of the Fund, summarising the investment case with examples, outlining the investment strategy including identifying target sectors and locations, using the Fund Manager's investor contacts database to attract further capital into the Fund; and

5.6.13 any other duties as set out in the Trust Deed or that may be agreed from time to time.

5.7 **Asset Manager of the Trust**

The Asset Manager is Eskmuir Asset Management Ltd. The Fund Manager appointed Eskmuir Asset Management Ltd as Asset Manager pursuant to an Asset Management Agreement (the "**AMA**").

The appointment of the Asset Manager will automatically terminate upon the winding-up of the Trust or upon the Fund Manager ceasing to be the manager of the Trust.

The Asset Manager's appointment may be terminated in the event of the insolvency of the Asset Manager or where the Asset Manager is in material breach of its obligations under the Asset Management Agreement and such breach has not been remedied for 30 days.

The Asset Manager is responsible for:

- 5.7.1 drafting, together with the Fund Manager, the investment strategy of the Trust, which will cover the commercial real estate market outlook and strategy in relation to geographic and sub sector allocations;
- 5.7.2 assisting the Fund Manager in updating the financial forecasting of the Trust;
- 5.7.3 sourcing investment opportunities;
- 5.7.4 undertaking due diligence on prospective investments;
- 5.7.5 reporting quarterly (or such other frequency as the Fund Manager may reasonably require) to the Fund Manager on the performance of the Fund's tenants and overseeing and managing the implementation of the letting strategy, including monitoring any third party lettings agents, professional advisers and reporting to the Fund Manager and Trustees;
- 5.7.6 planning/executing the property portfolio strategy;
- 5.7.7 making recommendations to the Fund Manager as to stock acquisition, hold or sell decisions;
- 5.7.8 rent collection through either undertaking collection directly, or delegating to a third party provider. Either way the Asset Manager has overall responsibility for rent collection, ensuring rent collection rates are maximised through an active rental collection strategy;
- 5.7.9 seeking and advising the Fund Manager of value enhancing opportunities in respect of the property and, where directed by the Fund Manager, implementing such value enhancing opportunities;

- 5.7.10 day to day statutory compliance monitoring of the Fund's assets;
- 5.7.11 managing the property managers and other property professionals providing services to the Trust;
- 5.7.12 arranging property insurance; and
- 5.7.13 all other duties that may be agreed from time to time.

6. **INVESTMENT PROCESS**

6.1 **Investment Selection**

6.1.1 Sourcing

The Asset Manager's team has comprehensive links with the commercial investment property industry via a well developed network. Each of the team members has his own well established links, it is believed the Asset Manager's has the ability to source the best opportunities for the Trust.

6.1.2 Filtering

After gaining perspective on the broader investment universe, the Asset Manager filters the available opportunities (both on market and off market) which meet the Trust's investment strategy.

6.1.3 Selection and Ranking

Before the commencement of thorough due diligence on the investment opportunity, a high level review of tenants and lease structures is undertaken to ensure that all basic investment criteria are met. An outline deal is then established and non-binding heads of terms agreed and discussed with the IAB, prior to recommendation to the Fund Manager and in turn Trustee.

6.2 **Investment Due Diligence**

6.2.1 Review of tenants

With a focus on the tenants; covenant strength, profitability and shareholders' funds over the last 3+ years as well as the sectors they are active in and the likely prospects for success.

6.2.2 Legal Review

The title and tenancy documentation is reviewed to ensure they correspond with the marketing details and to ensure the interest being acquired is capable of being secured with a bank. This due diligence extends to the appropriate search of the local and statutory bodies.

6.2.3 Town and Country Planning Review

Planning advice will be sought to ensure that the property has consent to be used for the purpose it is intended and is being used. Additionally there may be opportunity to enhance the value of the property through varying the permitted use.

6.2.4 Building Survey

A building surveyor's report on the investment will be commissioned to assess the repair and condition of the property which will be considered in the context of the legal review to understand who is responsible for any areas of work required and if they need to be factored into the purchase negotiations. The survey report will usually include a reinstatement value for insuring the property.

6.2.5 Valuation and Measured Survey

A valuation report, incorporating a measured survey, will be instructed to ensure the property is the size the vendor has advised it is and to check the areas used in the bid analysis are correct. The valuation report will detail comparable rental and investment transactions which support the valuer's assessment of value.

6.2.6 Environmental Survey

Due to the environmental legislation it is prudent to undertake a Phase I Environmental Survey. This enables any potential environmental liabilities at the site to be considered.

6.2.7 Recommendation

Final investment recommendation is made by the Asset Manager to the Fund Manager who in turn makes a recommendation to the Trustee.

6.3 On-Going Monitoring and Forecasting

The Asset Manager will take an active approach to on-going monitoring and performance forecasting to ensure that the investment parameters are adhered to. As part of continuing diligence, the Asset Manager will monitor aspects such as: market fundamentals, yield movements, rental growth, supply and demand, rent cover, tenant profitability, changes in legislation, and portfolio activity, investment activity, performance, corporate actions, and valuation.

7. **REPORTING AND ADMINISTRATION**

7.1 **Financial Statement**

The Trustees will maintain the necessary books, registers and records of the Fund and will procure the preparation of the annual audited financial statements as at the Accounting Date. The annual audited financial statements will be delivered to Investors within six months of the relevant Accounting Date.

The Accounting Date for the Trust will be 30 September in each year.

The financial statements will be prepared under FRS102 and Statement of Recommended Practice: Financial Statements of UK Authorised Funds. The NAV reported to Investors will be prepared following the INREV Guidelines.

The Unit NAV and INREV Unit NAV will be calculated quarterly and will be notified to Unitholders within two months after each Valuation Date. An audited Unit NAV will be calculated annually for the Valuation Date ending 30 September and will be notified to Unitholders within 6 months of the Accounting Date.

A draft Unit NAV and INREV Unit NAV will be calculated quarterly and will be notified to Unitholders 20 Business Days after each Valuation Date.

Unitholders will receive statements of income or capital distributions as and when such distributions are made.

7.2 **Unitholder Reports**

Unitholders will also receive quarterly reports within two months from each Quarter Day, which will provide the following information:

- 7.2.1 Unit NAV and INREV Unit NAV;
- 7.2.2 performance of the Trust including capital growth and income distribution;
- 7.2.3 Trust gearing;
- 7.2.4 acquisition and disposition activity, within the Trust over the previous quarter;
- 7.2.5 structure of the portfolio in relation to the Investment and Operating Criteria;
- 7.2.6 market commentary in relation to the investments held by the Trust;
- 7.2.7 the performance of individual Trust holdings against the benchmark;
- 7.2.8 new subscriptions and secondary trades over the quarter;

- 7.2.9 cash position of the Trust; and
- 7.2.10 breakdown of the make-up of proposed distributions between income and capital for Unitholders' own tax computation purposes.

7.3 Administration

Under the terms of the Trust Deed, certain administrative and reporting functions are the responsibility of Sanne, an entity also acting as Trustee. Sanne is regulated in UK, Jersey, Guernsey and Luxembourg to provide fund administration services. Sanne has over 30 years' experience, engages more than 1,200 staff worldwide and has in excess of £200bn assets under administration.

The principal administration responsibilities will include:

- 7.3.1 Review of quarterly financial reports and book keeping;
- 7.3.2 maintaining the register of Unitholders;
- 7.3.3 processing issues and redemption of Units (as further described in Section 9, Dealing in Units);
- 7.3.4 Preparing the Estimated and Actual NAV and the Estimated and Actual INREV NAV including analysing adjustments to FRS102 for underlying investments;
- 7.3.5 production and issuing of distribution statements and Unitholder NAV statements;
- 7.3.6 calculation of capital and income distribution and allocation and payment to Unitholders;
- 7.3.7 management of Drawdown Notices from Investors;
- 7.3.8 review of the management accounts of the Trust prepared by the Manager;
- 7.3.9 reviewing the valuations of Investments as produced by the Valuer;
- 7.3.10 cash management; and
- 7.3.11 assisting with the annual audit of the Fund.

The Trustees appointment may be terminated by Extraordinary Resolution. The Trustees shall not be entitled to retire except upon the appointment of a new trustee.

8. ISSUE OF UNITS

8.1 Class of Units

There is only one class of Units in the Trust.

8.2 Subscription for Units

Each prospective investor will be required to execute a Subscription Agreement recording the Investor's Commitment and to make certain representations and warranties to the Trust and the Trustees. The Trustee may accept or reject any application to make a Commitment in their absolute discretion.

Commitments may be accepted by the Trustees at any time but Closings are expected to take place quarterly. In practice new subscriptions will be accepted when requested by Investors.

The Trustee may at any time resolve not to accept any further Commitments and may subsequently determine to recommence acceptance of Commitments.

8.3 Timing of Issue of Units

The Trustees will issue Drawdown Notice(s) to Investors on 10 Business Days' notice. Income in respect of the Units issued accrues from the next Business Day after issue.

The Trustees intend to operate drawdowns quarterly but in practice will occur as and when the Fund requires cash or investment. On or before the date specified in the Drawdown Notice from the Trustee each Investor shall advance such proportion of its Commitment as specified in the Drawdown Notice. Payment will be made in Sterling.

Drawdowns are prioritised in date order, the oldest outstanding undrawn Commitment being drawn first. Where there is more than one Investor with the same date of subscription then drawings are calculated as a percentage of all undrawn Commitments as of the same subscription date.

The number of Units issued to each Unitholder in relation to each Drawdown Notice will be equal to amounts subscribed by the relevant Unitholder divided by the Unit NAV at which such Units are issued plus the Preliminary Charge.

8.4 Form of Units

Title to Units is evidenced by entries in the Trust's register of Units. Unitholders will receive contract notes confirming the Unit NAV and the number of Units issued. The Trust will not issue unit certificates.

Fractional Units may not be issued and Units in the Trust will be issued at a price rounded up to six decimal places.

8.5 Unit Issue Price

The price will reflect the Unit NAV to be calculated to six decimal places and the Unit NAV will be calculated as set out below.

Units will be issued at the Unit NAV at the Quarter Day prior to Drawdown. In addition to the Unit NAV, there will be a Preliminary Charge as may be determined by the Trustees upon the recommendation of the Manager. The majority of the Preliminary Charge relates to the Fund's costs of investing equity and debt into real estate assets including legal and agency costs.

The actual Preliminary Charge shall be adjusted to reflect any provision already made in the Net Asset Value so that there shall be no double counting (and such adjustment will not be restricted by the 2% limit described above).

8.6 Issue of Units In-Specie

The realisation of Units at the Unit NAV may, with the agreement of the Trustees, be met by way of an in-specie transfer of appropriate investments where such in specie transfer would not cause the Investment Operating Criteria to be breached. The number of Units issued to an Investor making payment for such Units by way of in-specie transfer will be calculated by the Trustees with regard to the fair market value of such investments, any capital movement since the price of such investments was last calculated and an appropriate premium or discount for such investments as recommended by the Fund Manager and approved by the Trustees.

8.7 Default Provisions

If an Investor fails to advance to the Trust the amount that is the subject of a Drawdown Notice on or before the payment date specified in the Drawdown Notice the Trustees will issue a Default Notice to such Investor requiring it to remedy such default by advancing the amount required together with interest on the unpaid amount for the period of default assessed at the rate of 10% per annum calculated daily.

The defaulting Investor will, whilst payment remains outstanding, cease to be entitled to any distributions made by the Trust and will be liable to pay any additional costs associated with any borrowing made necessary by reason of its default.

If the defaulting Investor fails to make payment within 20 Business Days from the date of issue of the Default Notice, the Trustees may, in their absolute discretion, (i) exercise their lien in respect of the Units of the defaulting Investor and may transfer the Units of the defaulting Investor for an amount equal to not less than 85% of the Unit NAV at the most recent Valuation Date (the proceeds of such sale to be applied in payment of the default amount, interest thereon and any costs payable by the defaulting Investor or Unitholder), and/or (ii) cancel the outstanding Commitments of the defaulting Investor.

The Trustees may, in its absolute discretion, either issue a further Drawdown Notice to other Investors to make up the shortfall of a defaulting Investor, or accept new Investors in the place of the defaulting Investor.

The date of the Default Notice and the date of the Drawdown Notice will be deemed to be the date such notice was sent to the address of the Investor or Unitholder, as recorded on the Unit register regardless of the actual date of receipt of such notice.

8.8 Restrictions to the ownership of Units

The Trust is an unregulated collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (the "FSMA"). Some or all of the protections normally afforded by the UK regulatory system will not apply to an investment in the Trust and the Trust is marketable and available to certain classes of investors only.

The Trustees shall only permit Eligible Investors to become Unitholders and may restrict or prevent the ownership of Units by any person if, in the absolute discretion of the Trustees, such holding:

- 8.8.1 may be detrimental to the interests of the existing Unitholders or prospective investors in the Trust, including giving rise to adverse tax consequences;
- 8.8.2 would give rise to a breach of any law or regulation in the United Kingdom or elsewhere; or
- 8.8.3 if as a result thereof the Trustees may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred.

Such persons shall be determined by the Trustees to be "**Prohibited Persons**". The Trustees may compulsorily redeem any Units in the Trust that are held by Prohibited Persons, in accordance with the Trust Deed.

The Trustees may require any prospective Unitholder to provide it with information that it considers necessary in order to determine whether or not that person is, or will become, a Prohibited Person.

8.9 Voting Rights and Resolutions

The Trustees may hold a meeting of Unitholders annually and at such additional times as it may determine in its discretion. Unitholders holding over 10% of the Units in aggregate may also request a meeting of Unitholders.

Unitholders will be given at least 21 Business Days' written notice of an annual meeting and 14 Business Days' written notice of any other Unitholder meeting. Unitholder meetings will be held in the United Kingdom, typically in London or such other location as the Fund Manager may notify to Unitholders.

The table below summarises the quorum and approval required for each type of resolution:

	Ordinary Resolution	Extraordinary Resolution
Quorum	Three Unitholders	Three Unitholders
Approval (percentage of votes cast)	50	75

A decision on any matter on which Unitholders are entitled to vote by Ordinary Resolution will be binding if it is duly passed by at least 50% of the voting rights held by Unitholders attending (in person, by proxy or by corporate representative) at a meeting at which a quorum of at least three Unitholders are present in person, by proxy or by a corporate representative.

A decision on any matter on which Unitholders are entitled to vote by Extraordinary Resolution will be binding if it is duly passed by at least 75% of the voting rights held by Unitholders attending (in person, by proxy or by a corporate representative) at a meeting at which a quorum of at least three Unitholders are present in person, by proxy or by a corporate representative.

Matters which must be approved by Extraordinary Resolution of Unitholders include:

- 8.9.1 a decision to vary the fees of the Trustees;
- 8.9.2 the appointment or removal of the Trustees;
- 8.9.3 a decision to amend the Trust Deed
- 8.9.4 a decision to wind up (except at the end of the life of the Fund where a resolution is not required); and
- 8.9.5 a decision to shorten the term of the Trust.

The table below provides a summary of the matters which would constitute Ordinary and Extraordinary Resolutions:

Ordinary Resolution	Extraordinary Resolution
approval of a new Fund Manager;	a decision to remove the Fund Manager for "Cause";
to approve the wind up of the Trust if the realisation of Units are postponed for more than 24 months	to shorten the term of the Trust;
	to vary the fees of the Trustees;

Ordinary Resolution	Extraordinary Resolution
	to wind up (except at the end of the life of the fund where a resolution is not required);
	a decision to appoint or remove the Trustees;
	to vary the Trust Deed (except in certain circumstances)
	to amend the Trust objective

The Trustees or any Unitholder who is present at such a meeting in person, by proxy or by corporate representative may demand a poll and otherwise any vote may be taken on a show of hands.

8.10 Limitation of liability of Unitholders

The liability of each Unitholder to contribute to the Trust will be limited to the amount subscribed for in its Subscription Agreement except for the indemnity provided to the Trust against any tax to which the Trust may be assessed and against any related professional fees, interest and costs as a consequence of the fund/institution ceasing to be or never having been wholly exempt from SDLT and/or capital gains tax and corporation tax on capital gains and/or ceasing or never having been an Exempt Charity Fund.

8.11 Duration of the Trust and Winding-up

The Trust will terminate upon the 50th anniversary of the Trust Establishment Date.

The Trust may be terminated prior to the 50th anniversary of the Trust Establishment Date in the following circumstances:

- 8.11.1 the passing of an Extraordinary Resolution to terminate the Trust;
- 8.11.2 if any change in legislation renders the existence or operation of the Trust illegal or if, in the opinion of the Trustees, the continuation of the Trust becomes impracticable or not advisable for whatever reason;
- 8.11.3 the passing of an Ordinary Resolution where the realisation of Units has been postponed for more than 24 months;
- 8.11.4 if the Trust becomes liable to taxation at a rate considered by the Trustees with the approval of the Fund manager to be excessive;
- 8.11.5 if the Trustees consider the Fund Manager is incapable of performing its duties and will bring the Trust into disrepute or harmful to Unitholders.

9. DEALING IN UNITS

9.1 Redemption of Units

No Investor may redeem any Units within the first 18 months from the date of issue.

Unit redemptions of up to 6.25% of the Net Asset Value of the fund will be permitted each quarter.

Redemptions will be at NAV less any Realisation Charge as may be determined by the Trustees upon the recommendation of the Fund Manager but which shall not normally be more than 2% of the NAV of the Units being realised.

Redemptions can be requested on a quarterly basis, according to the following procedure:

- Realisation Notices must be submitted before the Realisation Notice Deadline, which is the last Business Day on or before each Quarter Day.
- All Realisation Notices will rank equally.
- Should Realisation Notices exceed 6.25% of fund NAV each quarter, a percentage of each notice will be paid, up to the maximum of 6.25% of fund NAV.
- Realisation Notices in excess of 6.25% of Fund NAV shall be cancelled and a new Realisation Notice will need to be served by a retiring Unitholder for any unrealised Units it still wishes to redeem in the following quarters.
- Units will be priced as at the Quarter Day prior to which the amount redeemed is paid.
- The Fund Manager may request a retiring Unitholder to transfer its Units for a price not less than the Unit NAV less the Realisation Charge.
- The realisation amount shall be paid to the retiring Unitholder, where reasonably possible, within six months of the Realisation Date on which the Realisation Notice has been accepted.
- If the Fund Manager is unable to redeem units within 6 months of the Realisation Notice Deadline the Trustees shall act with due diligence to raise the appropriate amount having regard to the interests of the Unitholders as a whole. However, if the Fund Manager or the Trustees are of the opinion it would have an adverse effect on the Fund, redemptions can be postponed for up to 24 months.

9.2 Suspension of Unit Dealing

The Fund Manager and the Trustees may suspend redemptions for up to 24 months if to sell assets would in their opinion have an adverse effect on the Fund.

If there are outstanding Realisation Notices after 24 months, by Ordinary Resolution the Unitholders can wind up the Trust.

9.3 Compulsory Unit Transfers

The Trustees will have the right to transfer compulsorily the investment holding of any individual Unitholder if the Unitholder is not an Eligible Investor.

The price of transfer is set out in the Trust Deed and seeks to compensate the Trust for any loss caused to the Fund.

9.4 Unit Transfers

Units may be transferred by the Unitholder subject to the transaction not causing the transferor's holding to fall below the Minimum Holding size. Units may only be transferred to Eligible Investors.

The Trustees may, as conditions of any transfer, require that legal opinions and other evidence of compliance with applicable securities and other laws be obtained.

Subject to the above and compliance with relevant laws, the Trustees may assist with the creation of a secondary market for Units in the Trust.

A transfer of Units will only become effective where the transferee agrees in writing fully and completely to assume any outstanding obligations of the transferor in relation to the transferred Units and agrees in writing to be bound by the terms of the Trust Deed.

10. **DISTRIBUTIONS**

10.1 **Calculation of Distributable Revenue**

Distributable Income will be paid to Unitholders within 3 months after each Valuation Date. Distributable Income will be calculated by deducting from income accrued for the relevant quarter an amount equivalent to the Expenses accrued in relation to the operation of the Trust during the quarter. A deduction may also be made for taxation or other such sums which may be charged to the Trust or to the Unitholder under the law of any country in which a distribution or payment is made.

10.2 **Capital distributions**

Capital distributions received from underlying investments during the Term may be reinvested, used for realisations or distributed at the discretion of the Trustees.

It is not the intention of the Trust to make significant capital distributions before the Trust is terminated. However, if, during the Fund Term, the Fund Manager considers that no appropriate reinvestment opportunities are likely to arise within a reasonable period of time, or if the Fund Manager wishes to provide a distribution in addition to an income distribution, the Trustees may elect to make a capital distribution to Unitholders.

Capital proceeds will be distributed to a Unitholder pro-rata to the number of Units held by the relevant Unitholder, with a deduction made for expenses of the Trust.

The Trustees may only distribute capital proceeds to a Unitholder through an in-specie transfer of the Trust's assets with the prior consent of the Unitholder.

10.3 **Right to Implement an income distribution Reinvestment Option**

The Trustees reserve the option to implement a Unit income distribution re-investment option for Unitholders at a future date.

11. VALUATION OF TRUST AND UNIT NAV

11.1 Quarter Days

The Fund Manager shall within 20 Business Days of each Quarter Day calculate the Estimated NAV as at the Valuation Date. The Trustees shall endeavour to send to each Unitholder within 20 Business Days of the Quarter Day a draft statement of the Estimated NAV.

The Fund manager shall within 20 Business Days of each Quarter Day calculate the Estimated INREV NAV as at the Valuation Date. The Trustees shall endeavour to send to each Unitholder within 20 Business Days of the Quarter Day a statement of the Estimated INREV NAV.

11.2 Calculation of Estimated NAV and Estimated INREV NAV

The Estimated NAV shall be calculated:

- (i) by taking the Net Asset Value as at the Valuation Date; and
- (ii) dividing the resultant amount by the number of Units in issue at the Valuation Date.

With advice from the Auditors if considered necessary by the Fund Manager. The Net Asset Value for these purposes shall be calculated by:

- (i) taking the assets of the Trust (provided that uncalled Commitments shall not be treated as an asset of the Trust for this purpose); and
- (ii) deducting the liabilities of the Trust.

The Estimated INREV NAV shall be calculated:

- (i) by taking the INREV Net Asset Value as at the Valuation Date; and
- (ii) dividing the resultant amount by the number of Units in issue at the Valuation Date,

with advice from the Auditors if considered necessary by the Fund Manager. The INREV Net Asset Value for these purposes shall for these purposes be determined at the relevant time in accordance with the INREV Guidelines.

The Trustees shall send a statement of the Unit NAV and Unit INREV NAV to each Unitholder within two months of each Quarter Day with the quarterly management report.

12. FEES, COSTS AND EXPENSES

12.1 Trustees Remuneration

The Trustee will receive a responsibility fee of £20,000 per annum. A charge will be made for time spent on execution of documentation.

A charge for time spent on dealing with non-routine matters is to be agreed with the Fund Manager from time to time by separate letter.

These fees are based on an expected activity level and are subject to an increase every year in line with the retail price index and as agreed by the Fund Manager. Should the activity level exceed that envisaged, further ad valorem fees would be charged. Full details of the fee arrangement are available on request from the Fund Manager.

12.2 Management Fee

Management Fees are payable to the Fund Manager and the Asset Manager prior to any distribution from the Trust.

During the life of the Fund the Management Fee charged to the Trust by the Fund Manager and Asset Manager is 0.6% per annum combined, pro rated where necessary.

The Management Fee will be paid quarterly in arrears, pro rated where necessary, and the amount stated is exclusive of any applicable value added tax or sales tax or similar. As the Management Fee is based on a percentage of GAV, the relevant GAV for the purposes of the calculation will be the GAV at the end of the relevant quarter.

12.3 Administration Fee

An associated company of the Trustee will provide Administration services to the Trust, for which a fee will be charged. The fee rate per annum will be calculated as follows: 0.02 per cent of NAV where NAV does not exceed £100,000,000; and 0.01 per cent of NAV where NAV exceeds £100,000,000. The fee is subject to a minimum of £15,000 per annum.

12.4 Operator Fee

The FCA Operator will provide operator services to the Trust and will receive a responsibility fee for its services of £20,000 per annum plus transaction management fees.

12.5 Expenses

The following Expenses will be payable directly by the Trust:

- 12.5.1 the remuneration of the Trustees;
- 12.5.2 all costs and expenses incurred in relation to the winding up of the Trust and the realisation of the assets of the Trust;

- 12.5.3 the remuneration for administration and the fee for any other services provided by the Trustees including fees and expenses associated with the redemption, issue or transfer of Units in the Trust;
- 12.5.4 any licensing or other fee payable to any index information provider;
- 12.5.5 the remuneration and expenses of the Auditor incurred in relation to the production of the annual audited accounts of the Trust;
- 12.5.6 fees payable to lawyers, accountants, property valuers, property specific professionals and other professional advisers or consultants to the Trust;
- 12.5.7 any costs associated with property transactions including all duties, taxation, charges and expenses (including registration charges, stamp duty land tax and custodian's fees where applicable) payable in respect of the acquisition, disposal, maintaining or refurbishing, managing, holding of or dealing with or proposed or attempted acquisition or disposal (whether completed or not) of such properties;
- 12.5.8 all costs and expenses reasonably incurred in relation to the set up of, and any variation to, the Trust documentation and the Trustees, Operator or Depositary engagement agreements;
- 12.5.9 any fees or expenses of any regulatory body or tax authority in any jurisdiction in which the Trust may be established and/or marketed;
- 12.5.10 any fees related to the provision of FCA Operator or Depositary services;
- 12.5.11 costs and expenses incurred by the Trustees in relation to attending any meeting of the Trust and attending to any other Trust business;
- 12.5.12 any costs incurred in respect of meetings of Unitholders whether called by the Trustees or requisitioned by Unitholders;
- 12.5.13 any costs in relation to publishing and distributing quarterly investor reports and annual audited accounts, the annual strategy report and any other correspondence with Unitholders;
- 12.5.14 any costs incurred in relation to publishing unit prices in relevant journals or with other information services including reporting to INREV, IPD and AREF;
- 12.5.15 reasonable costs associated with the production of marketing material relating directly to the marketing of the Trust to potential investors;

- 12.5.16 any litigation costs of the Trust;
- 12.5.17 the cost of maintaining insurance in relation to activities of the Trust and of the Trustees; and
- 12.5.18 any other costs and expenses as deemed necessary by the Trustees for the effective management of the Trust.

Payment of fees and Expenses will usually be made by deduction from the income or capital receipts of the Trust. Where income from investments of the Trust or capital receipts in any quarter are insufficient to cover Expenses, the payment of such expenses may be made by drawing down Commitments or through proceeds of the sale of investments.

12.6 Notice of Fee Increases

The Trustees may only amend the Trust Deed to reflect any fee increase (save for fees payable to third party service providers) with the consent of Unitholders by Extraordinary Resolution.

12.7 Value Added Tax

All fees and expenses payable by the Fund pursuant to the above are exclusive of value added taxes, sales taxes or other chargeables thereon which shall be paid by the Fund as required.

13. **RISK FACTORS AND CONFLICTS OF INTEREST**

The following are important warnings and potential investors should consider the following risk factors before investing in the Trust.

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THE VALUE OF UNITS IN THE TRUST AND THE INCOME FROM THEM MAY GO DOWN AS WELL AS UP, AND THAT THEY MAY NOT REALISE THEIR INITIAL INVESTMENT. PAST PERFORMANCE IS NO GUIDE TO FUTURE PERFORMANCE. IN ADDITION, THE MARKET VALUE OF UNITS MAY BE LESS THAN THE UNDERLYING VALUE OF THE TRUST'S NET ASSETS.

13.1 **General Risks**

13.1.1 Economic risks

The financial performance of the Trust may be adversely affected by general economic conditions, by conditions within the real estate market or by the particular financial condition of the parties doing business with the Trust. The returns that are likely to be achieved on an investment in the Trust could be materially affected by the political and economic climate. In particular, changes in the rates of inflation and the cost of borrowing may affect the Trust's income and capital values or the value of an investment. Economic factors impacting on people's savings will impact upon people's ability to pay for the services to be provided from the properties proposed to be invested in by the Fund and may therefore impact on the returns of the Fund.

13.1.2 Political risks

The Trust will not obtain political risk insurance. As such, government action could have a significant negative impact on the target investments of this Trust. This is particularly relevant for those markets where a government exercises a relatively high degree of control over the private sector, where political and economic stability is predicated on the current leadership or where changes in the target markets economy drive significant political change. There can be no guarantee that political changes will not have a negative impact on the value of the Trust. Government laws or regulation, which may not be anticipated, may significantly adversely impact on the returns from the types of assets proposed to be invested in by the Fund.

13.1.3 Performance

There are inherent risks in any investment market. Prices are subject to market fluctuations and can move irrationally and be unpredictably affected by many factors including political and economic events and rumours. No representation is or can be made as to future performance of the Trust. The value of each Unit and associated income and capital returns may fluctuate. Unitholders may not get back the money which they invest.

Unitholders will need to decide whether or not an investment vehicle of this nature is appropriate for their requirements.

13.1.4 In-specie distributions

It is possible that redemptions may be made in-specie (subject to the prior consent of the Unitholder) so the Unitholder may hold directly illiquid investments. There can be no assurance that Unitholders would be able to dispose of such investments or that the value of such investments determined by the Trustees for purposes of the determination of an in specie redemption will ultimately be realised. The realisation of any such assets by unitholders will likely require them to incur costs and expenses.

13.1.5 Tax considerations

An investment in the Trust involves complex tax considerations. Each prospective Investor should consult their own tax adviser with respect to the tax consequences of an investment in the Trust both in relation to tax on income and capital gains.

Unitholders deemed Eligible Investors at the time of Subscription may subsequently lose Eligible Investor status. Such a change in circumstances may have an adverse effect on the Trust's ability to benefit from certain tax advantages expected to be enjoyed by the Trust (i.e. exemption from stamp duty land tax on real estate transactions, exemption from capital gains tax and effectively having no liability to income tax), consequently returns to investors could be adversely affected. Unitholders are providing an indemnity to the Trust at the time of Subscription against these costs in the event they cease or never did hold Exempt Charity Fund status.

13.1.6 Cash holdings

The Trust itself might retain cash for periods of time in order, inter alia, to meet redemption requests or Trust expenses. This might create a drag on Trust returns.

13.1.7 Environmental risk

There is risk that the Trust could face substantial loss from environmental claims based on environmental problems on properties held directly or indirectly by the Trust as well as from occupational safety issues and concerns.

13.1.8 Inflation risk

There is no assurance that inflation will not become a serious problem in the future, which may affect the value of the Trust's investments.

13.1.9 Interest rate risk and gearing risk

The Fund may put in place modest Working Capital Borrowings to facilitate transactions and meet investment Capital Calls in advance of a drawdown of equity from Investors in the Fund. The rate of interest charged on any such borrowings, unless fixed, will be variable and an increase in the cost of borrowing would have an adverse effect upon the Fund's return.

The Fund may incur modest long term borrowings in order to facilitate transactions. Such gearing should increase returns to investors where the returns on the assets of the Fund exceed the costs and expenses of the Fund (including interest on the debt). However, the gearing will magnify losses to investors where the returns on the assets of the Fund do not exceed the costs and expenses of the Fund (including interest on the debt).

13.1.10 Governance

The Trustees fulfil several roles in relation to the Trust as further set out in Section 5, *The Trust Structure and Management*.

13.1.11 Reliance on management

Decisions involving the management of the Trust's affairs will be made by the Trustees, the Fund Manager and the Asset Manager. Depending on the nature of the decisions a Unitholder resolution may be required but such decisions will generally be made without any intervention by Unitholders. Accordingly, no prospective investor should invest in Units unless he or she is willing to entrust the Trustees, the Fund Manager and the Asset Manager with such management of the Trust.

The success of the Fund will depend on the efforts and the abilities of the Fund Manager and the Asset Manager. There can be no guarantee that any targeted returns or aims of the Fund will be achieved. If either the Fund Manager or Asset Manager make less than optimal decisions and/or adverse market conditions prevail, the performance of the Fund may be significantly adversely affected.

13.1.12 Diversification

The Fund may at certain times hold relatively few investments and/or substantial amounts of cash or cash equivalents. At any time when the Fund holds relatively few investments, it may be particularly sensitive to the performance of any one or combination of assets which may in any case have very similar characteristics. In addition, the investment universe of the Fund is relatively narrow and limited to commercial property demonstrating certain key attributes. As such, were an event to

occur which had a detrimental impact on that type of asset, the effect on the performance of the Fund would not be offset by the Fund holding assets in other classes.

13.1.13 Regulation

The operation of the Fund and its investments may be substantially affected by changes in treaties, laws and regulations (or in the interpretation thereof), occurring from time to time, which may impose additional legal and tax constraints within which the Fund must operate.

13.1.14 Other risks

Adverse changes in market and economic conditions, acts of nature, tax or other laws or regulations or accounting standards may have an adverse effect on the Trust's investments and on the value and consequences of holding the Units. However, it cannot be predicted whether such changes will occur or to what extent these changes may adversely affect the business of the Fund or the value of the Units.

13.2 Risks of Real Estate Investments

The Trust will be subject to the general risks incidental to the ownership of real property which are beyond the control of the Fund, including changes in economic conditions, adverse local market conditions and risks associated with the acquisition, financing, ownership, operation and disposal of real estate.

Historically, real estate has been subject to substantial fluctuations in the local value and associated income. The investments may also be subject to global trends and market conditions affecting corporate businesses at large. The investments may thus be adversely affected by: national economic conditions; local real estate market conditions; changes in the supply of, or relative popularity for, competing properties in a given area; the financial condition of tenants, buyers and sellers of properties; interest rate fluctuations, real estate tax rates, other operating expenses and the lack of availability of property financing; energy prices and other supply shortages; changes in local road or rail networks; natural disasters and other acts of God; various uninsured or uninsurable risks; government regulation (such as land-use and zoning restrictions, environmental protection and occupational safety) and bureaucratic inertia; the quality of asset and property management; and other factors which are beyond the control of the Fund. Many of these factors could have a negative impact on the value of real estate and the income derived from real estate. The capital value of an investment held by the Fund may be significantly diminished in the event of a sudden downward turn in the real estate market. Certain of these risks are described in more detail below.

13.2.1 Concentration of investment in real estate sector

Although it is intended for the Fund to invest across a number of real estate sectors, concentration in few sectors may be necessary in order to generate target returns. Concentration of the Fund's investments in a particular economic sector may increase the volatility of the Fund's returns and may also expose the Fund to the risk of economic downturns in this sector to a greater extent than if its portfolio also included other sectors of the economy. As a result, economic downturns in this sector could have an adverse effect on the financial condition, results of operations and cash flow of the Fund.

13.2.2 Leasing risks

In certain circumstances, investments by the Fund may be made directly or indirectly in property that is not leased (i.e., does not produce income) or existing leases on investment properties may expire or terminate. As the value of an investment acquired by the Fund may depend to a significant degree on the leasing income generated, if investments are made directly or indirectly, in unleased investment properties, this may cause the valuation of the investment held by the Fund to decrease. If investment properties cannot be released or are released at a lower rent than anticipated, there is a risk that the returns from such investments will be low or that the investment may need to be sold, potentially at a loss. In circumstances where a property remains unlet for a period of time, additional expenses are likely to be incurred in respect of such a property until the property is re-let. Such expenses could include legal and surveying costs of re-letting, maintenance costs, service charges, insurance, business rates and marketing costs.

13.2.3 Financial condition of tenants

A tenant of properties may experience, from time to time, a downturn in its business which may weaken its financial conditions and result in the failure to make rental payments when due. No assurance can be given that tenants will continue to make rental payments in a timely manner. The failure of tenants to meet rental obligations on the investments may adversely affect the Fund's operating cash flow and value of its investments.

13.2.4 Abortive costs

The nature of real estate acquisitions and disposals may mean that considerable expense may be incurred without the completion of an acquisition, disposal, or leasing of a real estate asset. For example, costs may be incurred on undertaking due diligence in relation to potential acquisitions that do not proceed. In addition, conditions precedent may not be satisfied and transactions may

be aborted after material expense has been incurred. Such expenses may reduce the returns that would otherwise be received by a Unitholder.

13.3 Investment Risks

13.3.1 Relationship with lenders

Should the lenders to the Trust encounter financial difficulties (either due to general economic conditions or to lender specific issues) or change their strategy, or scale back their property lending operations, they may decide not to grant further loans to the Trust or to attempt to recall or renegotiate loans in which case the Trust would then be required to obtain financing from new lenders. A number of factors beyond the Trust's control may make it difficult for the Trust to obtain such new financing on satisfactory terms or at all. Any delay in obtaining or failure to obtain new or alternative financing from time to time will impair the ability of the Trust to invest in suitable properties, which may impact negatively on the Trust's investment performance and ultimately the return on the Units in the Trust.

13.3.2 Future investments unspecified and availability of suitable investments

Although the Fund Manager and the Asset Manager believe that significant investment opportunities currently exist, there is no guarantee that suitable opportunities for property fund investments will be identified. Even where capital has been committed to investments, there can be no guarantee that all of the committed capital will be drawn-down. The time-scales for drawdown of capital may extend over more than twelve months. There can be no guarantee of the performance of future investments of the Fund.

13.3.3 Risks of leverage

A failure of the Trust to perform its obligations under any financing documents may permit lenders to demand early repayment of the loan and to realise their security. In those circumstances, the Trust may be forced to find alternative borrowing at short notice or to liquidate a significant part of its investments. In either case, the pressure of time and the surrounding circumstances may make it difficult for the Trust to find alternative borrowings or to liquidate assets on reasonable or acceptable terms or at all.

13.3.4 Illiquidity of investments

Prospective investors should note that a Unit in the Trust is likely to represent an illiquid investment. Since there is no established market for the Units, an investor may be unable to realise their

investment readily and there may be no opportunity to redeem Units. The Trust is only appropriate for investors able to commit to long term investment.

13.3.5 Valuations of properties

Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty and are a matter of an independent valuer's opinion. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

13.4 **Conflicts of Interest**

The services of the Trustees, the Fund Manager and the Asset Manager of the Trust, their respective Associates and their respective officers and employees, are not exclusive to the Trust. In fulfilling their responsibilities to the Trust, they may be subject to certain conflicts of interest arising from their relations with third parties to whom they also owe duties or in whom they have an interest, including other members of the Sanne Group, and their respective clients.

The Fund Manager has a formal Conflicts of Interest policy ("**Conflicts Policy**") which applies to the operation of the Trust. It is available on request to the Fund Manager. The aim of the Conflicts Policy is to avoid conflicts of interest and to manage conflicts of interest in a manner that is equitable to the parties involved. The Trustees may refer Conflicts of Interest which relate to the Unit Trust to the Unitholders for a non-binding recommendation for further action. The Fund Manager and the Asset Manager of the Trust may refer conflicts to the Trustees for a non-binding recommendation for further action.

14. **SELLING RESTRICTIONS**

Without limitation to the following, this Memorandum does not constitute an offer to sell to, or a solicitation of an offer to subscribe from, anyone in any country or jurisdiction (i) in which such an offer or solicitation is not authorised, (ii) in which any person making such offer or solicitation is not qualified to do so or (iii) in which any such offer or solicitation would otherwise be unlawful. No action has been taken that would, or is intended to, permit a public offer of Units in the Fund in any country or jurisdiction where any such action for that purpose is required. Accordingly, Units may not be offered or sold, directly or indirectly, and neither this Memorandum nor any other information, form of application, advertisement or other document may be distributed or published in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Memorandum comes must inform themselves about and observe any legal restrictions affecting any subscription of Units in the Fund. The Fund is not making any representation or warranty to any prospective investor regarding the legality of an investment in the Fund by such person under appropriate securities or similar laws

14.1 **Notice to Recipients in United Kingdom**

The Trust is a collective investment scheme pursuant to section 235 of the Financial Services and Markets Act 2000 ("**FSMA**"). It has not been authorised, or otherwise recognised or approved, by the United Kingdom's Financial Conduct Authority and, as an unregulated collective investment scheme, it cannot be promoted in the United Kingdom to the general public.

The communication of this Memorandum is exempt from the general restriction in section 21 and section 238 of FSMA which prohibits the communication of an invitation or inducement to engage in investment activity or invest in a collective investment scheme, respectively, on the grounds that the communication of this Memorandum is directed at, and Units in the Trust are available only to, persons in the United Kingdom within the exemptions listed below.

This Memorandum is not to be distributed, delivered or passed on to any person resident in the United Kingdom unless it is being made only to, or directed only at, persons falling within the following categories:

- (a) persons falling within any of the categories of "Investment Professionals" as defined in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**") where the person communicating the promotion is not an authorised person under FSMA, or article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "**CIS Order**") where the communicator is an authorised person;
- (b) persons falling within any of the categories of high net worth companies and unincorporated associations described in article 49 (2) of the Financial Promotion Order or article 22 of the CIS Order, as applicable; and

(c) any person to whom it may otherwise lawfully be made,

(such persons together referred to as "**relevant persons**").

If you are not a relevant person you should not act on or rely upon this Memorandum or any other marketing materials relating to the Trust. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Potential investors in the United Kingdom are advised that all, or most of, the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Trust and that the compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The value of investments can go down as well as up. Where funds are invested in property, investors may not be able to realise their investment when they want. Whilst property valuation is conducted by an independent expert, any such valuation is a matter of the valuer's opinion. Property funds invest in a specialist sector, which may be less liquid and produce more volatile performance than an investment in broader investment sectors. More detail on the Fund can be provided on request.

15. TAX ISSUES

15.1 Certain UK Tax Considerations

15.1.1 General

It is crucial to the tax status of the fund that only registered charities are able to invest in it.

The following is intended only as a general guide to the basic tax analysis of the Fund and is not comprehensive. It is not intended to be, nor should it be considered to be, legal or tax advice to any prospective Investors. Prospective Investors should satisfy themselves as to the overall tax consequences, including, specifically, the consequences under UK tax law and HMRC practice, of the acquisition, ownership and disposition of Units in the Trust, taking into account the nature of the investments made by the Trust, and based on their own particular circumstances by consulting their own tax adviser on the taxation implications of their investment.

15.1.2 Structure of the Fund

The Fund is structured as a unit trust (defined in this document as the Trust) registered in England and Wales, making investments in UK real estate and entities owning UK real estate.

The Trust is treated as an exempt unauthorised unit trust for UK tax purposes.

Income

As an exempt unauthorised unit trust, the Trust is treated as opaque for UK income tax purposes. Income from underlying investments will therefore be treated for such purposes as arising to the Trustees and not to Investors.

The Trust will be deemed to distribute to Investors the total income available for distribution. The deemed distribution will be a gross amount with no income tax being withheld by the Trust.

The deemed distribution is deductible against the income recognised in the Trust's accounts which should therefore result in nil taxable income.

Each Unitholder, as an Eligible Investor, is a UK registered charity. UK registered charities are exempt from income tax on investment income profit.

Although the Trust is not intending to generate trading profits (as described in HMRC case law and practice) Unitholders will be subject to tax on profits from trading activities regardless of their charitable status.

Unitholders will be subject to tax on applicable profits accruing to the Trust whether or not any deemed distributions have been received by them.

Capital gains

Capital gains from the disposal of underlying investments will be treated as arising to the Trust.

Gains accruing to the Trust should not be chargeable gains for capital gains tax purposes.

UK stamp duty

The Trust will claim exemption from Stamp Duty Land Tax ("**SDLT**") ordinarily payable on the purchase price of any Properties (including VAT if applicable) which the Fund acquires.

Acquisition and disposal of Units by Investors in the Trust should not be subject to UK Stamp Duty or SDLT.

Importance of Obtaining Professional Advice

THE FOREGOING SUMMARY IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. ACCORDINGLY, PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISERS REGARDING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE TRUST.

16. REGULATORY ISSUES

16.1 Anti-Money Laundering

Pursuant to English law relating to the prevention of both money laundering and the financing of terrorism and the FCA's rules, certain obligations have been imposed on all professionals in the financial sector to counter money laundering and the financing of terrorism.

The agreed Form of Indemnity is to be provided by all prospective investors prior to them becoming Unitholders. Enquiries at Charities Commission will prove the identity of the investor and satisfy anti-money laundering obligations placed on the Trust.

16.2 Confidential Information

The investor acknowledges that confidential information and information relating to its investment in the Trust supplied to the Trustees, Fund Manager or Asset Manager or their respective Associates (the "**Sponsor Companies**") may be processed by, transferred to or disclosed to their respective service providers or agents, in order to administer the services for which the investor has applied or for which it may apply in the future. The investor's information will be held in confidence and not shared other than as described without the investor's permission or as required by applicable law.

The investor may at any time request information about the Sponsor Companies and the countries in which they operate and a copy of the information held by the Sponsor Companies about the investor and may request any errors in the information about the investor to be corrected.

16.3 Data Protection

The information that a potential Investor who is a natural person provides in any Subscription Agreement or in any way by whatever means and whether in relation to an application for Units or otherwise (together "personal data") will be held, controlled and processed by the Trustees (the "data controller(s)") in confidence and in accordance with its obligations under the Data Protection Act 1998. Each investor consents to its personal data being disclosed to, held and processed by the Trust, its auditors and each functionary to the Trust, any group company, delegate or appointee of or service provider or adviser to any of the foregoing, and/or any judicial, governmental, administrative or regulatory bodies for any of the following purposes:

- (a) to comply with any statutory or regulatory requirements applicable to or in-house procedures of any such person (including under anti-money laundering legislation and/or to verify the identity of the investor for the purpose of preventing fraud or other financial crime);
- (b) to manage or administer the investor's holdings in the Trust and any related account on an ongoing basis, to operate the Trust or to carry out statistical analysis or market research;

- (c) to verify the identity of the Trust in connection with any actual or proposed investments of the Trust or for any purpose which a data controller considers is in the legitimate business interests of the Trust; and/or
- (d) for any other specific purpose to which the investor has given specific consent.

Any such disclosure of personal data shall be in accordance with the obligations of the data controller under the Data Protection Act 1998.

Each Investor acknowledges that in the course of the processing and disclosure described above its personal data may be transferred to entities situated or operating in countries outside England and the European Economic Area and that such countries may not have data protection laws equivalent to those in England. The data controller will, where required to do so by law or where it considers appropriate, implement contracts which seek to ensure that any such entity is contractually bound to provide an adequate level of protection in respect of the personal data transferred to it.

17. DEFINITIONS

Accounting Date	30 September in each year.
Accounting Period	From 1 October to 30 September.
Asset Management Agreement	The agreement between the Trustees and the Asset Manager pursuant to which the Asset Manager is appointed to provide asset management services to the Trustees.
Asset Manager	Eskmuir Asset Management Ltd.
Asset Manager Group	Members of the Asset Manager's group which shall include subsidiary and parent entities of the Asset Manager and subsidiaries of parent entities of the Asset Manager.
Business Day	Any day Monday to Friday (except bank or other public holidays) on which banks are open for business in London.
Capital Call	A request for payment of Commitment communicated to an Investor by way of written or electronic communication.
Cause	<p>(a) fraud by the Fund Manager;</p> <p>(b) any wilful illegal act of the Fund Manager;</p> <p>(c) negligence of the Fund Manager which has a material adverse effect on the Trust and/or the Unitholders;</p> <p>(d) wilful default of the Fund Manager;</p> <p>(e) any indictable offence (or the equivalent in any jurisdiction) committed by the Fund Manager or any director of the Fund Manager in his capacity as such;</p> <p>(f) any act or omission by the Fund Manager being a material breach of the provisions of the Trust Deed not being capable of remedy or which is not remedied within 30 Business Days (or such other longer period as is reasonable and appropriate in the circumstances) of the Fund Manager (as the case may be) being required in writing to do so;</p> <p>(g) the Asset Manager being terminated for cause under the Asset Management Agreement;</p>

	<p>(h) the Fund Manager ceasing to hold the required regulatory authorisations to act as fund manager of the Trust; or</p> <p>(i) the Asset Manager becoming Insolvent.</p>
Closing	A date on which the Fund Manager exercises its discretion to accept applications for Units.
Commitments	The aggregate of the capital contributions advanced or agreed to be advanced by each Unitholder.
Default Notice	A notice issued to an Investor who has failed to make a payment by the date specified in the Drawdown Notice.
Distributable Income	Accrued income received by the Trustees for the relevant quarter less Expenses, and any other deductible costs, expenses, liabilities and provisions under the Trust Deed, accruing in relation to the operation of the Fund during the quarter. A deduction may also be made for taxation or other such sums which may be charged to the Fund or to the Unitholder under the law of any country in which a distribution or payment is made.
Drawdown Notice	A notice issued to Unitholders requesting payment of Commitments due under their Subscription Agreement.
Eligible Investor	<p>means any person:</p> <p>(a) other than a person who, if a Unitholder, would cause the Trust not to qualify for exemption from tax on chargeable gains under section 100(2) of the Taxation of Chargeable Gains Act 1992; and</p> <p>(b) (i) who is a charity as defined in paragraph 1(1) Schedule 6, Finance Act 2010 and which holds the units for qualifying charitable purposes within the meaning of paragraph 1 (2) Schedule 8, Finance Act 2003; or</p> <p>(ii) who is a unit trust scheme (as defined in section 101(4) Finance Act 2003 in which all the unit holders are charities described in (i) above.</p>
Estimated INREV NAV	The estimate fair value INREV NAV of a Unit in the Trust as determined by the Fund Manager.

Estimated NAV	The estimate fair value NAV of a Unit in the Trust as determined by the Fund Manager.
Expenses	Expenses that will be payable by the Fund as set out in Section 12.
Extraordinary Resolution	Approval by Unitholders holding 75% or more of the Units in the Trust represented at the relevant meeting.
FCA Operator	Sanne Fiduciary Services (UK) Limited
Fund	Means the Trust.
Fund Manager	Eskmuir FM Ltd.
GAV	The gross book value of all assets owned by the Fund.
FRS102	The Financial Reporting Standard applicable in the UK and Republic of Ireland.
Investment	An investment acquired by the Fund which will include an investment by the Trust in property owning entities.
Investment Operating Criteria	Certain criteria of the Fund for investment as are further described in Section 2, <i>Summary of Terms</i> .
Investor	A party whose subscription for Units in the Fund has been accepted by the Trustees whether or not such Commitment has yet been called and drawn down.
Investors' Committee	A committee established by the Fund Manager made up of representatives of the 5 Largest Unitholders (or such other amount as may be decided at the Fund Manager's discretion) and who shall meet annually and as and when required to approve various matters as set out in the Trust Deed.
IPD (now MSCI)	Investment Property Database
IPD All Property benchmark	The benchmark comprising circa £153bn of real estate assets (which is to be used for the purpose of performance reporting). The benchmark comprises standing investments plus transactions and developments and is calculated annually on a total return per annum basis.

IPD All Property Index	The Index from which the IPD All Property benchmark is created.
IRR	Internal rate of return percentage per annum.
LTV Ratio	Loan to total asset value ratio where total asset value means the value of the Fund including real estate investments and the value of investments in vehicles investing into underlying real estate plus cash and cash equivalents.
Management Fee	Fee payable to the Fund Manager of the Trust and Asset Manager of the Trust by the Trust as described in Section 12, Fees, Costs and Expenses.
Memorandum	This information memorandum.
Minimum Holding	£250,000 or such lesser amount as determined by the Trustees.
Net Asset Value or NAV	The net asset value of the Fund calculated by taking the GAV and deducting liabilities of the Fund whilst applying such additional guidelines as the auditors consider appropriate.
Ordinary Resolution	Approval by Unitholders holding 50% or more of the Units in the Trust represented at the relevant meeting.
Preliminary Charge	A charge of up to 2% of the Unit NAV payable in respect of the issue of Units to cover the estimated cost of investing Unitholders' subscription amounts and as a contribution to the original set up costs of the Trust.
Prohibited Person	A person prohibited from holding Units in the Fund as described in Section 8, Issue of Units.
Quarter Day	31 December, 31 March, 30 June, 30 September.
Realisation Charge	A charge of up to 2% of the Unit NAV of the Units being realised to cover costs of realising Trust assets including any applicable fiscal and sale charges as well as any tax payable.
Realisation Notice	A notice to requesting redemption of an Investor's Units in the Trust.

Realisation Notice Deadline	The last Business Day of the quarter.
Subscription Agreement	An agreement whereby an Investor agrees and applies to subscribe for Units in the Trust.
Term	A period of fifty years from the initial Closing.
Trust	The Eskmuir Diversified Property Fund for Charities, an unregulated Exempt Unit Trust.
Trust Deed	The trust deed documenting the establishment and operation of the Trust.
Trust Establishment Date	12 February 2015
Trust Term	Fifty years from the Trust Establishment Date.
Trustees	Sanne Group Nominees 1 (UK) Limited and Sanne Group Nominees 2 (UK) Limited.
Unit	A unit in the Trust.
Unit NAV	The fair value NAV of a Unit in the Trust as determined by the Trustees or an agent of the Trustees for each Valuation Date.
Unitholder	An Investor who has paid their first drawdown to the Trust and who holds issued Units as recorded by the Trustees on the register of Unitholders.
Valuation Date	31 December, 31 March, 30 June and 30 September and any other date as the Trustees may determine in their sole discretion.

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