UK Commercial Property Trust Limited

Prospectus in connection with the recommended acquisition of the business and assets of F&C Commercial Property Trust Limited and placing of New UKCPT Shares to Phoenix Life Limited

July 2010

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser immediately.

This document comprises a prospectus relating to UK Commercial Property Trust Limited (the "Company") prepared in accordance with the Prospectus Rules and Listing Rules of the Financial Services Authority made under section 73A of the Financial Services and Markets Act 2000. This document has been approved by the Financial Services Authority in accordance with section 85 of the Financial Services and Markets Act 2000 and has been filed with the Financial Services Authority in accordance with Rule 3.2 of the Prospectus Rules. This document will be made available to the public in accordance with the Prospectus Rules by being made available at www.ukcpt.co.uk.

The Company has received authorisation as an authorised closed-ended investment scheme from the Guernsey Financial Services Commission under section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), and The Authorised Closed-ended Investment Schemes Rules 2008 made thereunder. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it in this document.

The Directors and the Proposed Directors of the Company, whose names appear on page 16 of this document, and the Company each accept responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of the knowledge of the Directors, the Proposed Directors and the Company, in accordance with the facts and does not omit anything likely to affect the import of such information.

UK COMMERCIAL PROPERTY TRUST LIMITED

(An investment company incorporated in Guernsey with registered number 45387)

ISSUE

of up to one billion New UKCPT Shares of 25p each in connection with the recommended acquisition of the business and assets of F&C Commercial Property Trust Limited and placing of New UKCPT Shares to Phoenix Life Limited

---

Application has been made to the Financial Services Authority for the New UKCPT Shares to be admitted to the Official List and to the London Stock Exchange for those shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that such admissions will become effective and that dealings in the New UKCPT Shares will commence on 10 August 2010.

The Issue is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia, Japan or any other Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from the United States, Canada, Australia, Japan or to, or for the account or benefit of, any resident of the United States, Canada, Australia or Japan or any other Restricted Jurisdiction and persons receiving this Prospectus (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions. The New UKCPT Shares have not been and will not be registered under the US Securities Act or under any of the relevant securities laws of any state of the United States or of Canada, Australia or Japan. Accordingly, unless an exemption under such act or laws is applicable, the New UKCPT Shares may not be offered, sold or delivered directly or indirectly in or into the United States, Canada, Australia or Japan. This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the sponsor and solicitor to the Company. Dickson Minto W.S. is acting exclusively for the Company and for no-one else in relation to the Issue. Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Dickson Minto W.S. will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dickson Minto W.S. nor for advising any other person in relation to the Issue or any transaction contemplated in or by this document.

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

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before investing in the Company. Potential investors should also consider the section of this document headed 'Risk factors' relating to the Company set out on pages 7 to 13 of this document.

12 July 2010

Contents

Summary

This summary should be read as an introduction to the Prospectus. Any decision to invest in the New UKCPT Shares should be based on consideration of the Prospectus as a whole by the potential investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the Prospectus into another language before the legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

Introduction and reasons for the Issue

UK Commercial Property Trust Limited (the "Company") is an authorised closed-ended, Guernsey incorporated investment company which was launched in September 2006 and whose assets are managed by Ignis Investment Services Limited. The Company invests in UK commercial properties, which are principally held through property holding subsidiaries. The Company has a single class of shares in issue, which are listed on the Official List and traded on the London Stock Exchange's main market for listed securities. The Company has an indefinite life.

The Board announced on 9 June 2010 that the Company had reached agreement with FCPT on the terms of a recommended acquisition of the business and assets of FCPT (including the FCPT Subsidiaries which hold the FCPT Property Portfolio) by the Company to be effected through a voluntary solvent liquidation of FCPT, the issue of New UKCPT Shares by the Company and the provision of a cash alternative.

The Scheme

The acquisition of FCPT's business and assets by the Company will be achieved through a voluntary solvent liquidation of FCPT with options for the FCPT Shareholders to elect to:

- roll over their investment in FCPT into New UKCPT Shares (the "Rollover Option"); or
- receive 91p in cash per FCPT Share (the "Cash Option"); or
- select the Cash Option in respect of certain of their FCPT Shares and the Rollover Option in respect of the balance.

The Scheme will result in all of the subsidiaries of FCPT being transferred to the Company and FCPT then being wound up.

Benefits of the Scheme

The Board believes that the Scheme offers significant benefits for all Shareholders as noted below:

- The Scheme will result in a substantial increase in the size of the the Company's property portfolio to approximately £1.7 billion (compared to the Company's current property portfolio which is valued at approximately £880 million), which will:
  - diversify further the property and tenant exposure;
  - provide complementary geographic and sector exposures without incurring material acquisition costs;
  - improve the profile of lease expiries by spreading them over a more diversified tenant base and provide attractive asset management opportunities in the medium term;
  - enable the Enlarged UKCPT to obtain exposure to assets with a larger lot size; and
  - enhance the Enlarged UKCPT's ability to undertake asset management initiatives in the Combined Portfolio without having a material adverse effect on the Combined Portfolio's income returns.
- The Scheme offers the Company exposure to the FCPT Property Portfolio which has strong capital growth opportunities through its significant South East and Central London sector weightings.
- The Enlarged UKCPT is expected to have a market capitalisation (based on FCPT's and the Company's closing share prices as at 8 July 2010) of approximately £1.6 billion (on the assumption that no FCPT Shareholders elect to receive cash under the Cash Option). This increase in scale should significantly enhance the liquidity in UKCPT Shares, widen the Shareholder base and increase the attractiveness of the Enlarged UKCPT to existing and new investors.
- There will be a significant reduction in the Total Expense Ratio of the Enlarged UKCPT compared to the current Total Expense Ratio of the Company, largely as a result of a reduction in the Enlarged UKCPT's management fees.
- The Scheme offers the Company the opportunity to acquire a significant prime UK commercial property portfolio with minimal associated transaction costs, funded by the issue of New UKCPT Shares to FCPT Shareholders at the FAV, calculated as at 30 June 2010.

- Ignis has a strong investment management team which has managed the acquisition of a number of property portfolios in recent years. As part of a further expansion of its business and in connection with the increase in its funds under management, Ignis has committed to add further asset management, research and administrative support for the management of the Enlarged UKCPT. Ignis has also agreed to meet the compensation payable to F&C upon the termination of the investment management agreements with the FCPT Group in respect of the balance outstanding of the six month notice period as at the Effective Date.
- An increase in the gearing of the Company, at minimal costs, through assuming the FCPT Bonds of £230 million, fixed at an interest rate of 5.23 per cent. per annum until 2015 and the Barclays Facility of £50 million fixed at an interest rate of 4.88 per cent. per annum until 2017.
- A significant reduction in the Phoenix Group Companies' majority shareholding in the Company, which, as a result of the Scheme could fall below 50 per cent. in the Enlarged UKCPT.

The Cash Option

Under the Cash Option, eligible FCPT Shareholders may elect to dispose of some or all of their FCPT Shares for 91p per share in cash.

Friends Provident and Phoenix have undertaken not to elect for the Cash Option in respect of their holdings of FCPT Shares. It is a condition of the Scheme that if elections under the Cash Option are made for more than 170 million FCPT Shares (being approximately 50 per cent. of the issued FCPT Shares held by FCPT's Independent Shareholders) then the Scheme will not proceed.

Funding the Cash Option

The maximum aggregate amount of cash required by the Company to fund the Cash Option would be approximately £155 million, for 170 million FCPT Shares at 91p per share. The Company will fund the Cash Option through the combination of an issue of New UKCPT Shares for cash to Phoenix and its existing cash resources.

Summary of investment policy

Current investment policy of the Company

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

Investment risks are spread through the Company and its subsidiaries investing in a diversified portfolio of freehold and long leasehold (over 60 years remaining at the time of acquisition) UK commercial properties. The UKCPT Group invests in income producing investments. The UKCPT Group principally invests in three commercial property sectors: office, retail and industrial. The UKCPT Group has not set any maximum weighting limits in the principal property sectors. No single property shall, however, exceed at the time of acquisition 15 per cent. of the gross assets of the UKCPT Group.

The UKCPT Group is permitted to invest up to 15 per cent. of its Total Assets in indirect property funds including other listed investment companies. The UKCPT Group is permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits, gilts and money market funds.

Gearing, calculated as borrowings as a percentage of the UKCPT Group's gross assets, may not exceed 65 per cent. The Board's current intention that borrowings at the time of draw down will be limited to the higher of 10 per cent. of the UKCPT Group's net assets or £80 million, subject to the proposed amendments referred to below. The Board receives recommendations on gearing levels from the Investment Manager and is responsible for setting the gearing range within which the Investment Manager may operate.

Proposed amendments to the investment policy of the Enlarged UKCPT

In connection with the Scheme, the Company proposes to amend its investment policy to state that (i) the Board intends that borrowings of the Enlarged UKCPT Group at the time of draw down will be limited to 25 per cent. of the Total Assets of the Enlarged UKCPT's group of companies; and (ii) for so long as the Lloyds Facility remains outstanding, it is the Board's current intention that borrowings of the Company will be limited to a maximum of 10 per cent. of the UKCPT Group's net assets at the time of draw down. Otherwise, the investment policy of the Enlarged UKCPT will continue in its present form.

The property portfolio

The UKCPT Property Portfolio

The UKCPT Property Portfolio currently comprises 39 properties with an aggregate Market Value of approximately £880 million. The UKCPT Property Portfolio generates a current net annual rent of approximately £62 million (being a running income return of 7.0 per cent. on its Market Value).

The FCPT Property Portfolio

UKCPT has agreed to acquire the business and assets of FCPT, including the FCPT Property Portfolio, pursuant to the Scheme. The FCPT Property Portfolio currently comprises 32 properties with an aggregate Market Value of approximately £800 million. The FCPT Property Portfolio generates a current net annual rent of approximately £51 million (being a running income return of 6.4 per cent. on its Market Value).

The Combined Portfolio

In the event that the Proposals become effective and all of the FCPT Property Portfolio is acquired, the Enlarged UKCPT will hold the Combined Portfolio comprising 71 properties with an aggregate Market Value of approximately £1.7 billion. The Combined Portfolio would generate a current net annual rent of approximately £113 million (being a running income return of 6.7 per cent. on its Market Value).

Dividends

It is intended that, the Company will pay a third interim dividend of 1.3125p per share. This third interim dividend will be paid in August 2010. Only Shareholders on the Company's register of members as at the UKCPT Dividend Record Date will qualify for this interim dividend in respect of their existing holdings of Ordinary Shares. Holders of New UKCPT Shares will not be entitled to this dividend.

The first dividend to be paid to Continuing Shareholders in the Enlarged UKCPT will be paid in October 2010. In the absence of unforeseen circumstances, the Board intends to maintain the dividend payout from the Company, on its enlarged share capital, at the same level, namely 5.25p per Ordinary Share per annum, which will continue to be paid in equal instalments quarterly.

Investment Manager

Ignis Investment Services Limited will continue as the investment manager of the Enlarged UKCPT. Ignis is a wholly owned asset management subsidiary of Ignis Asset Management Limited. Ignis and Ignis Asset Management Limited are both Phoenix Group Companies. Ignis manages assets on behalf of a wide range of clients. Ignis currently has approximately £69 billion of assets under management, of which approximately £3.3 billion are commercial property assets.

Subject to and with effect from Admission, the Investment Manager has agreed to reduce its basic management fee to 0.60 per cent. of the Total Assets less Borrowings of the Enlarged UKCPT; plus 0.50 per cent. on the Borrowings of the Enlarged UKCPT; less a reduction in the basic fee on Total Assets to 0.25 per cent. per annum on any cash held by the Enlarged UKCPT in excess of 5 per cent. of its Total Assets. No performance fee will be payable by the Enlarged UKCPT.

Risk factors

The principal risk factors relating to the Company, FCPT, the Enlarged UKCPT and the UKCPT Shares are as follows:

- The implementation of the Proposals is subject to a number of conditions and there is no certainty that the Proposals will become effective. In the event that the Scheme does not become effective, it is estimated that costs of approximately £1.1 million would be payable by the Company, which are equivalent to 0.12 per cent. of the NAV of a UKCPT Share as at 31 March 2010.
- New UKCPT Shares will be issued to FCPT Shareholders on the basis of the respective adjusted net asset values of each company calculated as at close of business on 30 June 2010 (based on the Market Value of the Properties as at 31 May 2010, other than the Chorley Property which was valued as at 18 June 2010). The NAV of an FCPT Share or a UKCPT Share, and the valuations of the Properties, will vary between the Scheme Calculation Date, or the valuation date, and the Effective Date and the net asset values used for the purposes of the Proposals may be lower or higher than the illustrative figures in this document.
- The NAVs are primarily based on the independent valuation of the underlying properties held by each of the Company and FCPT. The valuation of property is inherently subjective due to the individual nature of each property and as a result valuations are subject to substantial uncertainty.
- The performance of the Company and/or the Enlarged UKCPT, and their respective net asset value per share and income returns, would be adversely affected by a downturn in the property market in the UK in terms of market value or a weakening of investment yields. In the event of default by a tenant, or during any other void period, the Company, FCPT and/or the Enlarged UKCPT will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, rates and marketing costs.
- The Company and/or the Enlarged UKCPT's ability to pay dividends will be dependent principally upon its rental income. Rental income and the market value of properties are generally affected by overall conditions in the relevant local economy, such as growth in gross domestic product, employment trends, inflation and

changes in interest rates. Changes in gross domestic product may also impact employment levels, which in turn may impact occupier demand for premises.

- The value of property and property-related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the valuations of properties will correspond exactly with the actual sale price even where such sales occur shortly after the relevant valuation date.
- The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Any change in the Enlarged UKCPT's tax status or in taxation legislation in Guernsey or the United Kingdom or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company, the Property Subsidiary, the FCPT Subsidiaries or any other member of the Enlarged UKCPT, or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post tax returns to Shareholders.

Risk factors

The risk factors set out below are those which are considered by the Company and which the Directors to be material as at the date of this document but are not the only risks relating to the Company, FCPT, Enlarged UKCPT or the Ordinary Shares. Additional risks and uncertainties relating to the Company, FCPT and/or the Enlarged UKCPT that are not currently known to the Company and the Directors or that the Directors or the Company do not currently consider to be material may also have a material adverse effect on the Company, FCPT and/or the Enlarged UKCPT. Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Investors should consider the following risk factors in relation to the Company, FCPT, Enlarged UKCPT and the Ordinary Shares.

RISKS RELATING TO THE PROPOSALS

The Proposals are subject to the satisfaction of a number of conditions

The implementation of the Proposals is subject to a number of conditions, details of which are set out in Part 3 of this document, and there is no certainty that the Proposals will become effective. The implementation of the Proposals is conditional upon the FCPT Resolutions being passed at the FCPT EGM and the Resolutions being passed at the EGM. The implementation of the Proposals is also conditional, *inter alia*, on elections for the Cash Option not being made in respect of more than 170 million FCPT Shares (being approximately 50 per cent. of the issued FCPT Shares held by FCPT's Independent Shareholders). In the event that the FCPT Resolutions, and/or the Resolutions are not passed, or any other condition of the Proposals is not met, the Proposals will not be implemented. In the event that the Scheme does not become effective, Shareholders and FCPT Shareholders will bear the costs of the proposed Scheme in proportion to their respective net assets as at 31 March 2010, being as to 59 per cent. and 41 per cent. respectively. Accordingly, if the Scheme does not become effective, it is estimated that costs of approximately £1.1 million would be payable by the Company, which are equivalent to 0.12 per cent. of the NAV of a UKCPT Share as at 31 March 2010.

Issue of New UKCPT Shares to FCPT Shareholders

New UKCPT Shares will be issued to FCPT Shareholders on the basis of the respective adjusted net asset values of each company calculated as at close of business on 30 June 2010 (based on the Market Value of the Properties as at 31 May 2010, other than the Chorley Property which was valued as at 18 June 2010), further details of which are set out in Part 3 of this document. The NAV of an FCPT Share or a UKCPT Share, and the valuations of the Properties, will vary between the Scheme Calculation Date, or the valuation date, and the Effective Date and the net asset values used for the purposes of the Proposals may be lower or higher than the illustrative figures in this document.

Limited warranties in relation to the acquisition of the business and assets of FCPT

The business and assets of FCPT will be acquired from FCPT pursuant to the terms of the Transfer Agreement. As the Scheme involves the members' voluntary liquidation of FCPT, the Transfer Agreement does not contain any warranties as to the title of FCPT to its assets or in relation to the business or properties of FCPT or the business, properties or liabilities of the FCPT Subsidiaries. Although the Company has undertaken a due diligence exercise in relation to the FCPT Group and the FCPT Property Portfolio, the business and assets of FCPT will be acquired together with any potential risks and liabilities associated with them, without the Company having any recourse against any person for any undiscovered liabilities or obligations connected with the assets of FCPT, including any title defects to the properties in the FCPT Property Portfolio. If any such issues arise after completion, the Enlarged UKCPT could be left with unexpected additional liabilities or obligations.

RISKS RELATING TO PROPERTY

Property valuation is inherently subjective

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

The value of property may fluctuate as a result of factors outside the Company's, FCPT's and/or the Enlarged UKCPT's control

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

Any future property market recession could materially adversely affect the market value of properties.

Rent reviews may not be determined at the estimated rental value.

The Company's, FCPT's and/or the Enlarged UKCPT's ability to generate desired returns will depend on rental income generated and capital values of properties.

Returns from an investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the development or redevelopment and management of the property, as well as upon changes in its market value.

The Company's, FCPT's and/or the Enlarged UKCPT's ability to pay dividends will be dependent principally upon its rental income. Rental income and the market value of properties are generally affected by overall conditions in the relevant local economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. Changes in gross domestic product may also impact employment levels, which in turn may impact occupier demand for premises. Both rental income and market values may also be affected by other factors specific to the commercial property market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

Any change to the laws and regulations relating to the UK commercial property market may have an adverse effect on the market value of the UKCPT Portfolio, the FCPT Property Portfolio and/or the Combined Portfolio and/or the rental income generated therefrom.

The downturn in the economy has caused considerable levels of write-downs, reduced output and an unwillingness to spend by various industries, which could result in a decrease in tenant demand for existing and future properties in the Company's, FCPT's and/or the Enlarged UKCPT's respective property portfolios. In the Emergency Budget on 22 June 2010, the Chancellor of the Exchequer announced significant increases in certain taxes, such as VAT, and proposed spending cuts. These measures may result in reduced spending by consumers (which may result in a higher proportion of retail clients defaulting on their leases) and less demand for office premises. In particular, as government departments' budgets are cut, they are expected to downsize and require less office space. Such a decrease in tenant demand could increase vacant space and exert pressure on the Company, FCPT and/or the Enlarged UKCPT to provide rental incentives to tenants resulting in a decrease in the rental income, ERV, rental growth and property values of the Company's, FCPT's and/or the Enlarged UKCPT's respective property portfolios, which could have a material adverse effect on the Company's, FCPT's and/or the Enlarged UKCPT's business, financial condition, results, operations, future prospects and/or the price of the Ordinary Shares.

The continued challenges resulting from global market turmoil and the weakened economic conditions in the United Kingdom and elsewhere could adversely impact consumer businesses and decrease the demand for property in a market with significant property stock availability, resulting in difficulties letting vacant space, the need for rental incentives to attract tenants, an outward shift in yields and a decrease in property valuations, which could have a material adverse effect on the Company's, FCPT's and/or the Enlarged UKCPT's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

The UKCPT Property Portfolio and the FCPT Property Portfolio have relatively low levels of vacant stock. However, certain of the Properties currently have, and some other properties owned by the Company, FCPT and/or the Enlarged UKCPT may, in the future, have, significant levels of vacancy. Certain of the Company's, FCPT's and/or the Enlarged UKCPT's properties may be specifically suited to the particular needs of a certain type of tenant. The Company, FCPT and/or the Enlarged UKCPT may have difficulty in obtaining a new tenant for any vacant space it has, or may have, in its properties, particularly if prospective tenants have negative perceptions of the attractiveness or other features of any property. The Company, FCPT and/or the Enlarged UKCPT may need to incur additional capital expenditure on a property to attract tenants. The assumptions made by the FCPT Valuer and/or the UKCPT Valuer regarding the length of void periods may underestimate the actual void periods suffered by the Company, FCPT and/or the Enlarged UKCPT. If the vacancy continues for a longer period of time, the Company, FCPT and/or the Enlarged UKCPT may suffer reduced revenues resulting in less income available to be distributed to Shareholders. In addition, the market value of a property could be diminished because the value of a particular property will depend principally upon the value of the leases of such property.

Where there are lease expiries within the FCPT Property Portfolio, the UKCPT Property Portfolio and/or the Combined Portfolio, there is a risk that a significant proportion of leases may be re-let at rental values lower than those prevailing under the current leases, or that void periods may be experienced on a significant proportion of the UKCPT Property Portfolio, the FCPT Property Portfolio and/or the Combined Portfolio.

The Company, FCPT and/or the Enlarged UKCPT may undertake development (including redevelopment) of property or invest in property that requires refurbishment prior to renting the property. The risks of development or refurbishment include, but are not limited to, delays in timely completion of the project, cost overruns, poor quality workmanship, and inability to rent or inability to rent at a rental level sufficient to generate profits.

The Company, FCPT and/or the Enlarged UKCPT may face significant competition from UK or other foreign property companies or funds. Competition in the property market may lead either to an over-supply of commercial premises through over-development or to prices for existing properties or land for development being driven up through competing bids by potential purchasers. Accordingly, the existence of such competition may have a material adverse impact on the Company's, FCPT's and/or the Enlarged UKCPT's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis and to acquire properties or develop land at satisfactory prices.

As the owner of real property, the Company, FCPT and/or the Enlarged UKCPT is subject to environmental regulations that can impose liability for cleaning up contaminated land, watercourses or groundwater on the person causing or knowingly permitting the contamination. If the Company, FCPT and/or the Enlarged UKCPT owns or acquires contaminated land, it could also be liable to third parties for harm caused to them or their property as a result of the contamination. If the Company, FCPT and/or the Enlarged UKCPT is found to be in violation of environmental regulations, it could face reputational damage, regulatory compliance penalties, reduced letting income and reduced asset valuation, which could have a material adverse effect on the Company's, FCPT's and/or the Enlarged UKCPT's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares. Environment assessments have been carried out in respect of a number of the Properties. Environmental reports were prepared in relation to the acquisition by FCPT Group in October 2009 of the properties at Plot 6A, Plot 8 and Plot 10A, Hams Hall (now forming part of the FCPT Property Portfolio and held by a member of the FCPT Group to be acquired by the Company pursuant to the Scheme) and the environmental risk assessment of all of these plots was determined to be low to medium. Draft environmental reports in relation to the properties at Plot 6A, Plot 8 and Plot 10A, Hams Hall have also been prepared in connection with the Acquisition and they include recommendations that further investigations be carried out in relation to each of these plots. Further reports have been reviewed in relation to Plots 6A and 10A and the environmental risk assessment of these plots has been determined to be low to moderate. Currently, there is no further report available in respect of Plot 8 and, for the purpose of its valuation report set out in Part 5 of this document, the FCPT Valuer has made an assumption that the environmental risk assessment of Plot 8 would also be low to moderate. Should it be established that contamination does exist in respect of Plot 8, the market value of this property may be affected. There are no material contamination issues identified in those assessments in the context of the overall UKCPT Property Portfolio or the FCPT Property Portfolio. For those Properties with contamination, the valuations in the Valuation Reports take into account the relevant Valuer's opinion of the market's likely perception of the environmental issues involved.

GENERAL RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

An investment in the Ordinary Shares involves certain risks. The risks described below could have a material adverse effect on the Company's, FCPT's and the Enlarged UKCPT's business, financial condition, future prospects and the price of the Ordinary Shares and it is possible that Shareholders could lose all or part of their investment in the Ordinary Shares.

The market value of, and the income derived from, the Ordinary Shares can fluctuate. The market value of an Ordinary Share, as well as being affected by its net asset value and prospective net asset value, also takes into account its dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from its underlying net asset value. Fluctuations could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation, market perceptions as to when and at what level the Company, FCPT and/or the Enlarged UKCPT will pay dividends on the Ordinary Shares and various other factors and events, including the liquidity of financial markets, variations in the Company's, FCPT's and the Enlarged UKCPT's operating results, business developments of the Company, FCPT or the Enlarged UKCPT and/or its competitors. Stock markets have recently experienced significant price and volume fluctuations that have affected market prices for securities.

The Company does not have a fixed winding up date and, therefore, unless Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market. Continuation votes, which are to be held in accordance with the Articles, will be proposed as ordinary resolutions. In the event that any one shareholder or group of shareholders holds over 50 per cent. of the Ordinary Shares at the time of voting, such holding would be sufficient, by itself, to pass or block such resolution. The Phoenix Group Companies currently hold in excess of 50 per cent. of the Ordinary Shares. In the event that the Scheme becomes effective, it is estimated that the Phoenix Group Companies will hold up to 55.21 per cent. of the Enlarged UKCPT's Ordinary Shares as at the Effective Date. It is estimated that the FP Group will hold up to 15.01 per cent. of the Enlarged UKCPT's Ordinary Shares as at the Effective Date.

There can be no guarantee that the investment objectives of the Company, FCPT and/or the Enlarged UKCPT will be met. There is no guarantee that the expected dividend in respect of any period will be paid.

Dividend growth on the Ordinary Shares will depend principally on growth in rental income received from the underlying assets and the extent to which the UKCPT Group is invested. There is no guarantee that the expected dividends will be paid. In the absence of capital and/or income growth in the Combined Portfolio, the expected dividend policy of the Enlarged UKCPT will lead to a reduction in the net asset value per Ordinary Share.

RISKS RELATING TO THE INVESTMENT MANAGER

The past performance of the Investment Manager and other assets managed by the Investment Manager are not guides to the future performance of the Company. The Company has no employees and will be dependent on the skills and experience of the Investment Manager to manage its investments. The departure of key skilled professionals from the Investment Manager could have a material adverse effect on the Company's, FCPT's and/or the Enlarged UKCPT's business, financial condition and results or operations.

RISKS RELATING TO REGULATION, ENFORCEMENT OF JUDGMENTS AND TAXATION

Regulation

The Company, the Property Subsidiary and the FCPT Subsidiaries are limited companies incorporated in Guernsey. The Company's, the Property Subsidiary's and the FCPT's Subsidiaries' ability to pay dividends is governed by The Companies (Guernsey) Law, 2008 which came into force in Guernsey on 1 July 2008. This replaced The Companies (Guernsey) Law, 1994. One of the immediate effects of The Companies (Guernsey) Law, 2008 was to replace the capital maintenance requirements in respect of dividend and distribution payments and requirements for distributions to be made from distributable profits (similar to that which UK companies are subject) with a solvency based test. The use of the solvency test now requires the directors of a company to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the board to make a future assessment of solvency by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made the directors believe that the solvency test cannot be passed, then no payment may be made. If under Guernsey law there were to be a change to the basis on which dividends could be paid by Guernsey companies, this could have a negative effect on the Company's, FCPT's and/or the Enlarged UKCPT's ability to pay dividends. The solvency test introduced by The Companies (Guernsey) Law, 2008 must be satisfied by the Company, FCPT's and/or the Enlarged UKCPT's before any dividend payments may be made.

As a holding company, the Company's ability to pay dividends is affected by a number of factors but principally its ability to receive sufficient dividends from the Property Subsidiary. In the event that the Scheme becomes effective, the Company's ability to pay dividends will also be affected by the level of dividends received from the FCPT Subsidiaries. The payment of dividends to the Company by the Property Subsidiary is, and, subject to the Scheme becoming effective, the FCPT Subsidiaries will be, subject to certain regulatory requirements. In addition, there may be other restrictions including, but not limited to, applicable tax laws and covenants in debt facilities. These laws and restrictions could limit the payment of future dividends and distributions to the Company by the Property Subsidiary and, in the event that the Scheme becomes effective, by the FCPT Subsidiaries, which could restrict the Company's ability to fund other operations or to pay a dividend to holders of the Ordinary Shares.

The rights of holders of the Ordinary Shares are governed by Guernsey law and by the Company's memorandum and Articles of Association. These rights may differ from the rights of shareholders in typical UK corporations.

Enforcement of judgments

A Shareholder may not be able to enforce a judgment against some or all of the Directors of the Company and/or the Enlarged UKCPT. Some of the Directors are resident in the Channel Islands and some are resident in the UK. It may not be possible for a Shareholder to effect service of process upon the Directors within the Shareholder's country of residence or to enforce a judgment against the Directors in the courts of the Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than Guernsey against the Directors who are residents of countries other than those in which judgment is made. In addition, Guernsey courts or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company and/or the Enlarged UKCPT or the Directors in a court of competent jurisdiction in Guernsey.

Taxation

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

Under current United Kingdom tax law, UK letting agents are required to withhold amounts on account of, or to account to HM Revenue & Customs for United Kingdom income tax in respect of rent collected on behalf of a landlord which has a normal place of abode outside the United Kingdom, unless a direction (a "Direction") has been given by HMRC confirming that payments to such a landlord may be made without withholding or deduction for or on account of UK income tax and that no such obligation to account to HMRC arises. The Property Subsidiary, the FCPT Property Subsidiary, SCP Estate and the GP have each received a Direction. In the future, one or more of the Directions may be withdrawn in the future. Any new property holding subsidiary of the Enlarged UKCPT would have to apply for such a Direction and there is no guarantee that it would be granted.

The Directors are not aware of any pending or threatened action by HMRC which would result in the withdrawal of a Direction. However, in the event that a Direction in respect of the Property Subsidiary, the FCPT Property Subsidiary, SCP Estate, the GP or any other member of the Enlarged UKCPT Group is withdrawn, the UK letting agent will be required to make payment to HMRC on account of the United Kingdom income tax liability of the Property Subsidiary, the FCPT Property Subsidiary, SCP Estate, the GP or such other member of the Enlarged UKCPT Group.

The Company, the Property Subsidiary and the FCPT Subsidiaries are resident outside the UK for tax purposes. The Company generates, and the Enlarged UKCPT will generate, rental income from a portfolio of UK properties held directly and via certain indirect holdings. UK income tax (currently at the rate of 20 per cent.) is payable by the Property Subsidiary and certain of the FCPT Subsidiaries on the net rental income (as computed for the purposes of UK taxation) arising on the Combined Portfolio. In computing the net rental income of the Property Subsidiary and the relevant FCPT Subsidiaries, a deduction is available for interest payable by them on loans made to them by members of the UKCPT Group and FCPT Group (and the Bond Issuer) respectively for the purposes of their rental businesses, to the extent that the amount of interest payable does not exceed the amount of interest that would be payable by them had they borrowed from a third party on arm's length terms. In the event that HMRC were successfully to show that the terms, including the quantum, of these loans were excessive, compared to the terms which would be negotiated between parties dealing at arm's length, any interest costs attributable to that excess would not be deductible for UK tax purposes, with the result that the net rental income liable to tax of the Property Subsidiary or the relevant FCPT Property Subsidiaries would be increased, which would have an adverse effect on the Company's ability to pay dividends to Shareholders at the current rate, or indeed at all.

The Company is currently operated and managed, and the Enlarged UKCPT will be operated and managed, so as not to be subject to UK capital gains tax in respect of dealings in UK property. If the present UK tax treatment of non-resident investors in UK property were to change, the Enlarged UKCPT could be subject to UK tax on capital gains.

Any change (including a change in interpretation) in tax legislation, either in Guernsey or in the United Kingdom or in other countries in which the Enlarged UKCPT operates, could have a material adverse effect on the Enlarged UKCPT's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. Changes to tax legislation could include the imposition of new taxes or increases in tax rates in Guernsey or in the United Kingdom. In particular, an increase in the rates of stamp duty land tax could have a material impact on the price at which UK land can be sold, and therefore on asset values.

RISKS RELATING TO BORROWINGS

The Company has arranged the Lloyds Facility under which it is entitled to draw down an aggregate principal amount of up to £80 million for general corporate purposes of which it has drawn down an aggregate principal amount of £42.1 million. F&C Commercial Property Finance Limited has issued £230 million of secured Bonds. The Bond Issuer is not a member of the FCPT Group. However, the proceeds of the issue of the Bonds have been on lent by the Bond Issuer to FCPT Holdings (a member of the FCPT Group which will be acquired by the Company pursuant to the Scheme) pursuant to the Bond Facility Agreement. FCPT Holdings' obligations under the Bond Facility Agreement are secured by fixed and floating charges granted over the assets of the FCPT Secured Group (which does not include the SCP Secured Group). The FCPT Secured Group and the SCP Secured Group will be acquired by the Company pursuant to the Scheme. SCP Holdings (a member of the FCPT Group which will be acquired by the Company pursuant to the Scheme), has arranged the Barclays Facility under which it has drawn down an aggregate principal amount of £50 million in order to fund partly the acquisition of certain properties at St. Christopher's Place Estate. The Barclays Facility is secured by fixed and floating charges granted over the assets of the SCP Secured Group (including the properties at St. Christopher's Place Estate).

In connection with the Scheme, the Company proposes to amend its investment policy to state that the Board intends that borrowings of the Enlarged UKCPT Group at the time of draw down will be limited to 25 per cent. of the Total Assets of the Enlarged UKCPT Group. For so long as the Lloyds Facility remains outstanding, it is the Board's current intention that borrowings of the Company will be limited to a maximum of 10 per cent. of the UKCPT Group's net assets at the time of draw down. Prospective investors should also be aware that the Enlarged UKCPT will be entitled to invest up to 15 per cent. of its Total Assets in vehicles which themselves invest in UK commercial property and may themselves be entitled to incur borrowings.

If the Scheme becomes effective, there will be an increase in the gearing of the Enlarged UKCPT Group through the assumption of the principal debt obligation of £230 million owed by FCPT Holdings to the Bond Issuer pursuant to the Bond Facility Agreement and the principal debt obligations of £50 million owed by SCP Holdings to Barclays.

Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Ordinary Shares where the value of the Company's, FCPT's and the Enlarged UKCPT's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the UKCPT Property Portfolio, the FCPT Property Portfolio or the Combined Portfolio (as the case may be) falls for whatever reason, including tenant defaults, the use of borrowings will increase the impact of such fall on the net revenue of the Enlarged UKCPT and, accordingly, will have an adverse effect on the Enlarged UKCPT's ability to pay dividends to Shareholders.

The Lloyds Facility Agreement, the Bond Documents and the Barclays Facility Agreement contain financial covenants which require the Company, the Bond Issuer and members of the FCPT Secured Group and SCP Holdings respectively to comply with certain financial tests. Although the Company does not believe any such event will occur within the 12 month period from the date of this document, if relevant members of the Enlarged UKCPT Group are unable to comply with the financial covenants under the Lloyds Facility Agreement, the Bond Documents and/or the Barclays Facility Agreement, the Company or other members of the Enlarged UKCPT Group may be required to repay such borrowings in whole or in part together with any attendant costs including prepayment costs and alternative methods of satisfying the Enlarged UKCPT's funding requirements may only be available on expensive or onerous terms.

For further discussion of these financial covenants, see paragraphs 8.1.7, 8.2.7 and 8.2.8 of Part 9 of this document.

If the Enlarged UKCPT is required to repay all or part of its borrowings, it may be required to sell assets comprised in the Combined Portfolio at less than their Market Value or at a time, and in circumstances, when the realisation proceeds are reduced because of a downturn in property values generally or because there is limited time to market the Properties. If any of the covenants contained in the Lloyds Facility Agreement have been breached, Lloyds may be able to prevent the Company from paying dividends. Under the terms of the security granted by the current UKCPT Group in favour of the trustee of the security granted in relation to the Lloyds Facility Agreement, on an event of default under the Lloyds Facility Agreement, such trustees will be entitled to appoint an administrator over the assets of certain members of the current UKCPT Group. The appointment of an administrator and the enforcement of such security may materially adversely affect the value of a Shareholder's investment. The Company does not currently expect any of the covenants in the Lloyds Facility Agreement to be breached.

If any of the covenants contained in the Bond Facility Agreement have been breached, or if certain other tests, including regarding net income of the Company, are not met, the Bond Issuer may also be able to prevent the FCPT Secured Group from paying dividends. Under the terms of the security granted by the FCPT Secured Group in favour of the trustee of the security granted in relation to the Bond Facility Agreement for the benefit of the Bond Issuer, on an event of default under the Bond Facility Agreement, such trustee will be entitled to appoint an administrator over the assets of the FCPT Secured Group. The appointment of an administrator and the enforcement of such security may materially adversely affect the value of a Shareholder's investment. The Company does not currently expect any of the Bond covenants to be breached.

If any of the covenants contained in the Barclays Facility Agreement have been breached, interest payable in terms of the Barclays Facility Agreement has not been paid timeously, or if a default has otherwise arisen, Barclays may also be able to prevent SCP Holdings from paying dividends. Under the terms of the security granted by the SCP Secured Group in favour of the trustee of the security granted in relation to the Barclays Facility Agreement, on an event of default under the Barclays Facility Agreement, such trustee will be entitled to appoint an administrator over the assets of the SCP Secured Group. The appointment of an administrator and the enforcement of such security may materially adversely affect the value of a Shareholder's investment. The Company does not currently expect any of the covenants in the Barclays Facility Agreement to be breached.

There is no certainty that the Enlarged UKCPT will be able to refinance the amounts due in respect of the Lloyds Facility Agreement or the FCPT Bonds on either of their expected repayments in 2015 or the Barclays Facility Agreement on its expected repayment in 2017 (i.e in each case not within the 12 month period from the date of this document), either at all or on acceptable terms. There is no certainty that the Enlarged UKCPT will be able to refinance any other borrowings incurred on their expected repayment date, either at all or on acceptable terms. At some point, in the medium to longer term (i.e. not within the 12 month period from the date of this document), the Company may need to incur further borrowings to fund its cash flow requirements, including the payment of dividends. There is no certainty that such borrowings will be made available to the Company, either at all or on acceptable terms.

RISKS RELATING TO THE ECONOMIC ENVIRONMENT

Global market uncertainty and the weakened economic conditions in the United Kingdom and elsewhere and, in particular, the restricted availability of credit have impacted and are likely to continue to impact the value of the FCPT Property Portfolio, the UKCPT Property Portfolio and/or the Combined Portfolio and may reduce liquidity in the commercial property market. A lack of liquidity in commercial property assets may prevent the Company, FCPT and the Enlarged UKCPT from taking advantage of occupational demand and rental growth or disposing of lower growth or riskier assets, thereby adversely affecting the Company's, FCPT's or the Enlarged UKCPT's net asset value. As a result, the Company, FCPT and the Enlarged UKCPT may be unable to sell property or, alternatively, might be forced to sell property at less than the value stated in the valuation of the FCPT Property Portfolio, the UKCPT Property Portfolio and/or the Combined Portfolio, which could have a material adverse effect on its business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.

Occupier demand for commercial property has decreased as a result of the recent weakened economic conditions and may continue to decrease, in part due to a reduction in the availability of new financing (including securitisation of property assets). Some lenders in the market have taken opportunities, where possible, to negotiate a reduction in their exposure under existing facilities. Although the Company currently expects that it could refinance its borrowings, such market turmoil may also affect the Company's, FCPT's and/or the Enlarged UKCPT's ability to refinance its obligations or obtain new financing over the longer term. This could have a material adverse effect on the Company's, FCPT's and/or the Enlarged UKCPT's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

There has been significant pressure on income from commercial property in the UK, particularly since the start of 2009, as a result of increased voids and other factors. Any material decrease in the income of the Company, FCPT and/or the Enlarged UKCPT may hinder the Company's, FCPT's and/or the Enlarged UKCPT's ability to pay dividends at the current rate or at all.

RISKS RELATING TO VALUATIONS

The UKCPT Property Portfolio and the FCPT Property Portfolio have been independently valued by the UKCPT Valuer and FCPT Valuer respectively as at 31 May 2010 (other than the Chorley Property which was valued as at 18 June 2010) on the basis of "Market Value" in accordance with the Red Book. In determining Market Value, the Valuers are required to make certain assumptions. Such assumptions may prove to be inaccurate. The valuations of FCPT's and the Company's wholly owned properties are opinions of value only as of their valuation date. There has been no material change in the valuation of these properties since 31 May 2010 (or 18 June 2010 in the case of the Chorley Property). However, market volatility following the date of publication of this document may cause further significant changes in the value of the FCPT Group's properties and the UKCPT Group's properties. There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

The value of the FCPT Group's properties and the UKCPT Group's properties may be affected by factors outside of the Company's, FCPT's and/or the Enlarged UKCPT's control, including declining demand for industrial, office and retail estate, changes in general economic conditions, changing local supply and the attractiveness of property to other investment choices. Failure to achieve successful sales of properties in the future at acceptable prices could have an adverse effect on the Company's, FCPT's and/or the Enlarged UKCPT's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.

Forward looking statements

To the extent that this document includes "forward looking statements" concerning the Company, FCPT and/or the Enlarged UKCPT, those statements are based on the current expectations of the Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements typically containing words such as "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects, "continues", "should" or "considers", and words or terms of similar substance or the negative thereof or of similar import. Forward looking statements include statements relating to the following: (i) future capital expenditure, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Company's or FCPT's operations and potential synergies resulting from the Scheme; and (iii) the effects of government regulation on the Company's or the Enlarged UKCPT's business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. The Company disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Given these risks and uncertainties, investors should not place undue reliance on forward looking statements as a prediction of actual results. The Company does not undertake any obligation to update publicly or revise forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing in this document is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per Ordinary Share for the current or future financial periods will necessarily match or exceed the historical published earnings per Ordinary Share.

Information in this document will be updated as required by the Prospectus Rules, Listing Rules and Disclosure and Transparency Rules, as appropriate.

Nothing in this section headed "Forward looking statements" qualifies the working capital statement set out in paragraph 9.8 of Part 9 of this document.

Expected timetable

	2010
Record date for entitlement of FCPT Shareholders to elect for the Cash Option	5.00 p.m. on 14 June
Ex dividend date for third interim dividend	28 July
Record date for third interim dividend	30 July
Latest date for FCPT Shareholders to elect to receive the Cash Option under the Scheme	5.00 p.m. on 2 August
Latest time and date for receipt of forms of proxy for the Extraordinary General Meeting	9.00 a.m. on 5 August
Suspension of listing of FCPT Shares	7.30 a.m. on 9 August
Extraordinary General Meeting	**9.00 a.m. on 9 August**
FCPT EGM	**10.00 a.m. on 9 August**
Effective Date for the Scheme and FCPT in liquidation	**9 August**
Listing of FCPT Shares cancelled	10 August
Admission and dealings commence in New UKCPT Shares	**8.00 a.m. 10 August**
CREST accounts credited in respect of New UKCPT Shares in uncertificated form	10 August
Cheques expected to be despatched and CREST payments made to FCPT Shareholders who elected for the Cash Option	10 August
Certificates for New UKCPT Shares issued in certificated form despatched	Week commencing 16 August
Payment date for third interim dividend	27 August
Payment of first interim dividend in respect of New UKCPT Shares	October

Notes:

(i) The dates set out in the expected timetable above may be adjusted by the Company, in which event details of the new dates will be notified to the UK Listing Authority and the London Stock Exchange, and an announcement will be made through a Regulatory Information Service.

(ii) All references to time in this document are to time in London.

(iii) In this document, where the context requires, references to 8 July 2010 should be treated as being references to the latest practicable date prior to the publication of this document.

Directors, Proposed Directors, Investment Manager and advisers

Directors and Proposed Directors	Christopher Martin Walter Hill (Chairman) Keith Dorrian Christopher Norman Fish John Ewart Robertson Andrew Luis Wilson John Holmes Stephen (Proposed Chairman) Peter Niven (Proposed Director) Nicholas John Mann Tostevin (Proposed Director) all non-executive and of Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL
Investment Manager	Ignis Investment Services Limited 50 Bothwell Street Glasgow G2 6HR
UK legal adviser and sponsor	Dickson Minto W.S. Royal London House 22/25 Finsbury Square London EC2A 1DX
Financial adviser	Execution Noble & Company Limited Block D, The Old Truman Brewery 91 Brick Lane London E1 6QL
Administrator, secretary and registrar	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL
Guernsey legal adviser	Mourant Ozannes 1 Le Marchant Street St. Peter Port Guernsey GY1 4HP
Auditors	Ernst & Young LLP PO Box 9 Royal Chambers St. Julian's Avenue St. Peter Port Guernsey GY1 4AF
Reporting accounts and tax adviser	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ
Property valuers	CB Richard Ellis Limited St. Martin's Court 10 Paternoster Row London EC4M 7HP DTZ Debenham Tie Leung Limited 125 Old Broad Street London EC2N 2BQ
Principal banker	The Royal Bank of Scotland plc 2½ Devonshire Square London EC2M 4XJ
UK transfer agent	Computershare Investor Services (Jersey) Limited PO Box 329 Queensway House Hilgrove Street St. Helier Jersey JE4 9XY

DEFINITIONS

The meanings of the following terms shall apply throughout this document unless the context otherwise requires:

"2007 Issue"	the issue of 350 million Ordinary Shares by the Company on 28 February 2007
"2009 Issue"	the issue by the Company of 151,544,000 Ordinary Shares to Phoenix on 30 October 2009 in part consideration for the acquisition of a portfolio of UK commercial properties
"2010 Placing and Offer"	the placing and offer for subscription of 195 million Ordinary Shares in February 2010
"Acquisition"	the proposed acquisition of the business and assets of FCPT (including the FCPT Subsidiaries) by the Company pursuant to the Scheme on the terms to be set out in the Transfer Agreement
"Administration and Secretarial Agreement"	the administration and secretarial agreement between the Company, the Property Subsidiary and the Administrator dated 8 September 2006
"Administrator"	Northern Trust International Fund Administration Services (Guernsey) Limited
"Admission"	the admission of the New UKCPT Shares to the Official List and to trading on the London Stock Exchange
"AIC Code"	the Association of Investment Companies Code of Corporate Governance, as amended from time to time
"Articles" or "Articles of Association"	the articles of association of the Company, a summary of which is set out in paragraph 4 of Part 9 of this document
"Associate"	has the meaning given in the Listing Rules
"Australia"	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
"Bank of New York"	The Bank of New York Mellon Corporation
"Barclays"	Barclays Bank PLC, a company incorporated in England with registered number 01026167
"Barclays Facility"	the £50 million investment term loan facility provided to SCP Holdings by Barclays pursuant to the Barclays Facility Agreement
"Barclays Facility Agreement"	the facility agreement dated 25 June 2010 between, among others, Barclays (in various capacities), SCP Holdings and SCP Estate, further details of which are set out at paragraph 8.2.8 of Part 9 of this document
"Board" or "Directors"	the directors of the Company
"Bonds" or "FCPT Bonds"	the £230 million 5.23 per cent. secured bonds due 2017 (but expected to be repaid in full on 30 June 2015) issued by the Bond Issuer
"Bond Documents"	the documents entered into in connection with the issue of the Bonds and the Bond Facility Agreement
"Bond Facility Agreement"	the issuer borrower facility agreement dated 18 March 2005 between FCPT Holdings and the Bond Issuer, further details of which are is set out in paragraph 8.2.7 of Part 9 of this document
"Bond Issuer"	F&C Commercial Property Finance Limited, a company incorporated in Guernsey with registered number 42793
"Borrowings"	the principal amounts borrowed by the UKCPT Group for investment or working capital purposes, not including any intra-group borrowings

"Canada"	Canada, its provinces and territories and all areas under its jurisdictions and political sub-divisions thereof
"Cash Option"	the option being made available under the Scheme for FCPT Shareholders to receive 91p in cash per share, in respect of some or all of their FCPT Shares, on the winding up of FCPT
"CESR"	the Commission of European Securities Regulators
"Charles Darwin JPUT"	the Charles Darwin Retail Unit Trust, a Jersey Property Unit Trust which holds the Property at Charles Darwin Centre and 11 Castle Street, Shrewsbury, forming part of the UKCPT Property Portfolio
"Chorley Property"	the freehold property at Units 6 and 8, Revolution Park, Buckshaw Avenue, Buckshaw Village, Chorley PR7 7DW, forming part of the FCPT Property Portfolio
"Circular"	the circular sent to Shareholders on 12 July 2010 containing details of the Proposals and the Resolutions required to implement them
"Closing Price"	the closing middle market quotations as derived from the Daily Official List on a particular day
"Combined Portfolio"	the UKCPT Property Portfolio and the FCPT Property Portfolio
"Company" or "UKCPT"	UK Commercial Property Trust Limited, a company incorporated in Guernsey with registered number 45387
"Continuing Shareholders"	the FCPT Shareholders who do not elect (or are deemed not to have elected) for the Cash Option and UKCPT Shareholders
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the UK Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
"Disclosure and Transparency Rules"	the disclosure and transparency rules made by the Financial Services Authority under Part VI of FSMA as amended from time to time
"EEA States"	the member states of the European Economic Area
"Effective Date"	the date on which the Scheme becomes effective pursuant to its terms which is expected to be on 9 August 2010
"Enlarged UKCPT"	the Company as enlarged following the Acquisition
"Enlarged UKCPT Group"	the UKCPT Group as enlarged following the Acquisition
"ERV"	the open market rent which at the relevant date could reasonably be expected to be obtained on a new letting or rent review of a property net of ground rents and head rents
"Estimated Net Annual Rent"	is based on the current rental value of a property: (i) ignoring any special receipts or deductions arising from the property; (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent; and (iv) where a property, or part of it, is let at the date of valuation, the rental value reflects the terms of the lease and, where a property, or part of it, is vacant at the date of valuation, the rental value reflects the rent the relevant valuer considers would be obtainable on an open market letting as at the valuation date

"Euronext"	Euronext Amsterdam by NYSE Euronext
"Execution Noble"	Execution Noble & Company Limited, a company incorporated in Scotland with registered number SC127487 and authorised by the Financial Services Authority
"Extraordinary General Meeting", "EGM" or "UKCPT EGM"	the extraordinary general meeting of the Company to be held at 9.00 a.m. on 9 August 2010 (or any adjournment thereof)
"F&C"	F&C Investment Business Limited
"FAV"	in relation to an FCPT Share and/or a UKCPT Share, as the case may be, means its net asset value on the Scheme Calculation Date as calculated on the basis of the relevant company's normal accounting policies and adjusted in accordance with the terms of the Scheme
"FCPT"	F&C Commercial Property Trust Limited, a company incorporated in Guernsey with registered number 50402
"FCPT Articles"	the articles of incorporation of FCPT
"FCPT Board" or "FCPT Directors"	the board of directors of FCPT
"FCPT Circular"	the circular to be sent to the FCPT Shareholders setting out the terms of the Scheme and convening the FCPT EGM
"FCPT Extraordinary General Meeting" or "FCPT EGM"	the extraordinary general meeting of FCPT to be held at 10.00 a.m. on 9 August 2010 (or any adjournment thereof)
"FCPT Group"	FCPT and its subsidiary undertakings from time to time
"FCPT Holdings"	FCPT Holdings Limited, a company incorporated in Guernsey with registered number 42737
"FCPT IMAs" or "FCPT Investment Management Agreements"	the investment management agreements dated 4 June 2009 between FCPT and F&C (and acceded to by SCP Estate and SCP Holdings on 31 March 2010) and 4 March 2005 between FCPT Holdings, the FCPT Property Subsidiary and F&C, further details of which are set out in paragraph 8.2.1 of Part 9 in this document
"FCPT Property Portfolio"	the direct and indirect property assets of FCPT as at the date of this document
"FCPT Property Subsidiary"	F&C Commercial Property Holdings Limited, a company incorporated in Guernsey with registered number 42736
"FCPT Resolutions"	the resolutions to be proposed at the FCPT EGM
"FCPT Secured Group"	FCPT Holdings and FCPT Property Subsidiary and their subsidiary undertakings from time to time
"FCPT Secured Group IMA"	the conditional investment management agreement dated 12 July 2010 entered into between Ignis and the FCPT Secured Group further details of which are set out in paragraph 8.2.2 of Part 9 of this document
"FCPT Shareholders"	the holders of FCPT Shares
"FCPT Shares"	the existing fully paid ordinary shares of 1p each in the capital of FCPT
"FCPT Subsidiaries"	FCPT Holdings, FCPT Property Subsidiary, SCP Holdings and SCP Estate
"FCPT Valuer"	DTZ Debenham Tie Leung Limited
"First Issue"	the issue of 529,999,998 Ordinary Shares by the Company on 22 September 2006
"FP Group"	Friends Provident Life and Pensions Limited and Friends Provident Life Assurance Limited and their parent undertakings and any other subsidiary undertakings of such parent undertakings

"Friends Provident"	Friends Provident Life and Pensions Limited and Friends Provident Life Assurance Limited
"FSMA"	the UK Financial Services and Markets Act 2000 (as amended)
"GDP"	gross domestic product
"Glasgow Issue"	the issue of 12,250,000 UKCPT Shares pursuant to the acquisition of the Glasgow Property on 6 July 2010
"Glasgow Property"	the heritable property at 2/8 Buchanan Street and 122/132 Argyle Street, Glasgow, forming part of the UKCPT Property Portfolio
"GLP"	UKCPT Limited Partnership, a Guernsey limited partnership with registered number 709
"GP"	UK Commercial Property GP Limited, a company incorporated in Guernsey with registered number 45385
"HMRC"	HM Revenue & Customs
"Implementation Agreement"	the agreement entered into on 8 June 2010 between, *inter alia*, FCPT and the Company providing, *inter alia,* for the implementation of the Scheme, further details of which are set out in paragraph 8.1.8 of Part 9 of this document.
"Independent Shareholders"	the FCPT Shareholders and/or the UKCPT Shareholders as the context may determine excluding Phoenix Group, Friends Provident and their Associates
"Investment Management Agreement"	the investment management agreement dated 8 September 2006 (as amended) among, *inter alia*, the Company and Ignis, further details of which are set out in paragraph 8.1.1 of Part 9 of this document
"Investment Manager" or "Ignis"	Ignis Investment Services Limited, a company incorporated in Scotland with registered number SC101825
"IPD"	Investment Property Databank Limited
"IPD IRIS"	the IPD Rental Information Service
"ISA"	Individual Savings Account for the purposes of section 694 Income Tax (Trading and Other Income) Act 2005
"Issue"	the issue of New UKCPT Shares pursuant to the Scheme and to Phoenix in order to fund partially the Cash Option
"Issue Costs"	the costs and expenses payable in respect of the Scheme
"Japan"	Japan, its cities, prefectures, territories and possessions
"JPUT"	Jersey Property Unit Trust
"Kensington JPUT"	the 176/206 High Street Kensington Unit Trust, a Jersey Property Unit Trust which holds the Property at Kensington High Street, London forming part of the UKCPT Property Portfolio
"Kew JPUT"	the Kew Retail Park Unit Trust which holds the Property at Kew Retail Park, Richmond upon Thames, Surrey, forming part of the UKCPT Property Portfolio
"Law"	The Companies (Guernsey) Law, 2008
"Leeds JPUT"	the Junction 27 Retail Unit Trust, a Jersey Property Unit Trust which holds the Property at the Junction 27 Retail Park, Leeds, forming part of the UKCPT Property Portfolio
"LIBOR"	London Inter-bank Offered Rate

"Liquidator(s)"	the liquidator or liquidators for the time being of FCPT (if more than one) jointly and severally
"Listing Rules"	the listing rules made by the Financial Services Authority under Part VI of FSMA as amended from time to time
"Lloyds"	Lloyds TSB Scotland plc, a company incorporated in Scotland with registered number SC095237
"Lloyds Facility"	the £80 million revolving loan facility provided to the Company by Lloyds pursuant to the Lloyds Facility Agreement
"Lloyds Facility Agreement"	the facility agreement dated 19 June 2008 between, among others Lloyds (in various capacities) and the Company, further details of which are set out in paragraph 8.1.7 of Part 9 of this document
"London Stock Exchange"	London Stock Exchange plc
"Main Market"	the London Stock Exchange's main market for listed securities
"Market Value"	the aggregate of the market value of the Properties comprising the UKCPT Property Portfolio, the FCPT Property Portfolio and/or the Combined Portfolio, as the context requires, as at 31 May 2010 (save in the case of the Chorley Property which is valued as at 18 June 2010), as set out in the Valuers' reports in Part 5 of this document, or the aggregate market value of part only of such portfolios, as the context requires
"Moody's"	Moody's Investors Service
"NAV" or "net asset value"	in relation to an FCPT Share, a UKCPT Share and/or a New UKCPT Share, as the case may be, means its net asset value on the relevant date as calculated on the basis of the relevant company's normal accounting policies
"New UKCPT Shares"	the Ordinary Shares to be issued by the Company to FCPT Shareholders pursuant to the Scheme and to Phoenix to fund partially the Cash Option
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares" or "UKCPT Shares"	ordinary shares of 25p each in the capital of the Company
"PALAL"	Phoenix & London Assurance Limited, a company incorporated in England and Wales with registered number 894616 whose registered office is at 1 Wythall Green Way, Wythall, Birmingham B47 6WG (a Phoenix Group Company)
"Phoenix"	Phoenix Life Limited, a company incorporated in England and Wales with registered number 1016269 whose registered office is at 1 Wythall Green Way, Wythall, Birmingham B47 6WG (a Phoenix Group Company)
"Phoenix Group"	Phoenix Group Holdings, an exempted company with limited liability incorporated in the Cayman Islands with registered number 202172 whose registered office is at c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands
"Phoenix Group Companies"	Phoenix Group and its subsidiary undertakings (each a "Phoenix Group Company")
"Phoenix Subscription"	the subscription by Phoenix for up to £130 million of New UKCPT Shares on the terms set out in the Phoenix Subscription Agreement
"Phoenix Subscription Agreement"	the conditional subscription agreement entered into by Phoenix and the Company, further details of which are set out in paragraph 8.1.9 of Part 9 of this document

"Pride Hill JPUT"	the Pride Hill Retail Unit Trust, a Jersey Property Unit Trust holding the Pride Hill Shopping Centre and 4 Pride Hill, Shrewsbury, forming part of the UKCPT Property Portfolio
"Properties"	the properties comprising the UKCPT Property Portfolio, the FCPT Property Portfolio and/or the Combined Portfolio, as more fully described in Part 4 of this document, or any of them as the context requires (each a "Property")
"Property Subsidiary"	UK Commercial Property Holdings Limited, a company incorporated in Guernsey with registered number 45386
"Proposals"	the Related Party Transaction, the Acquisition, the issue of New UKCPT Shares, the changes to the Company's investment policy and the amendment of the Articles
"Proposed Directors"	John Stephen, Peter Niven and Nicholas Tostevin
"Prospectus"	this document
"Prospectus Directive"	Directive 2003/71 and any implementing measure in each EEA State which has implemented this directive
"Prospectus Rules"	the prospectus rules made by the Financial Services Authority under Part VI of FSMA as amended from time to time
"Red Book"	RICS Appraisal and Valuation Standards, 6th Edition
"Regulatory Information Service"	a regulatory information service that is on the list of regulatory information services maintained by the Financial Services Authority
"Related Party Transaction"	the participation of the Company in the Scheme, the Phoenix Subscription and the Acquisition (including the entry by the Company into the Transfer Agreement)
"Resolution 1"	the special resolution to be proposed at the Extraordinary General Meeting, approving the changes to the Company's investment policy and the amendment of the Articles
"Resolution 2" or "Related Party Resolution"	the ordinary resolution to be proposed at the Extraordinary General Meeting, approving the Related Party Transaction (including the Acquisition) for the purpose of the Listing Rules and the issue of the New UKCPT Shares and to be voted on by Independent Shareholders
"Resolutions"	Resolution 1 and Resolution 2
"Restricted Jurisdiction"	any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Issue or the Prospectus is sent or made available to a person in that jurisdiction
"Riverside JPUT"	the Riverside Mall Retail Unit Trust, a Jersey Property Unit Trust holding the Property at the Riverside Shopping Centre, and Riverside Medical Centre, Shrewsbury, forming part of the UKCPT Property Portfolio
"Rollover Option"	the option being made available under the Scheme for FCPT Shareholders to receive New UKCPT Shares, in respect of some or all of their holding of FCPT Shares, on the winding up of FCPT
"Scheme" or "FCPT Scheme"	the proposed scheme for the reconstruction and solvent winding up of FCPT
"Scheme Calculation Date"	close of business on 30 June 2010 or such other time and date as agreed between the Directors and the FCPT Directors

"SCP Estate"	SCP Estate Limited, a company incorporated in Guernsey with registered number 51516
"SCP Holdings"	SCP Estate Holdings Limited, a company incorporated in Guernsey with registered number 51517
"SCP Secured Group"	SCP Holdings and SCP Estate and their subsidiary undertakings from time to time
"Shareholders" or "UKCPT Shareholders"	the holders of the Ordinary Shares
"St. Christopher's Place Estate"	the property at St. Christopher's Place Estate (to include 77/77A Wigmore Street, 372 and 374 Oxford Street and 14 Gees Court), London W1
"Supplemental Investment Management Agreement"	the supplemental agreement to the Investment Management Agreement, further details of which are set out in paragraph 8.1.2 of Part 9 of this document
"Takeover Code"	The City Code on Takeovers and Mergers
"Takeover Panel"	The Panel on Takeovers and Mergers
"Total Assets"	in respect of each of FCPT and the Company, the aggregate value of the assets of its group less current liabilities of such group (which shall exclude any proportion of the principal amounts borrowed for investment or amounts borrowed for working capital treated as current liabilities and any liability of an intra-group nature)
"Total Expense Ratio"	the total costs of managing and operating a group per annum divided by such group's total assets, including management fees, administration fees, directors' fees, regulatory fees, valuation fees, audit fees and legal fees but excluding the direct costs incurred in the acquisition and disposal of assets and direct property related costs
"Transfer Agreement"	the agreement to be entered into on or about the Effective Date among, *inter alia*, the Liquidator (in his personal capacity and on behalf of FCPT) and the Company, further details of which are set out in paragraph 8.1.10 of Part 9 of this document
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UKCPT Dividend Record Date"	the record date, prior to the Effective Date, by which a shareholder must be on UKCPT's register to be eligible to receive the UKCPT third interim dividend, being 5.00 p.m. on 30 July 2010
"UKCPT Group"	the Company and its subsidiary undertakings from time to time
"UKCPT Property Portfolio"	the direct and indirect property assets of the Company as at the date of this document
"UKCPT Valuer"	CB Richard Ellis Limited
"UKLA" or "UK Listing Authority"	the UK Listing Authority, being the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of FSMA
"United States"	the United States of America (including the District of Columbia), its territories and possessions, any state of the United States of America and all other areas subject to its jurisdiction or any political sub-division thereof
"US Securities Act"	the United States Securities Act of 1933, as amended
"Valuation Reports"	the reports prepared by the UKCPT Valuer and the FCPT Valuer dated 12 July 2010 and set out in Part 5 of this document

"Value Added Tax" or "VAT"	value added tax
"Weston-super-Mare JPUT"	the Weston-super-Mare Unit Trust, a Jersey Property Unit Trust which holds the Property at Sovereign Centre, Weston-super-Mare, forming part of the UKCPT Property Portfolio

Part 1

The Company

Introduction and reasons for the Issue

UK Commercial Property Trust Limited is an authorised closed-ended, Guernsey incorporated investment company which was launched in September 2006 and whose assets are managed by Ignis Investment Services Limited. The Company invests in UK commercial properties, which are principally held through property holding subsidiaries. The Company has a single class of shares in issue, which are listed on the Official List and traded on the London Stock Exchange's main market for listed securities. The Company has an indefinite life.

The UKCPT Group currently owns a portfolio of principally prime UK commercial properties. As at 30 June 2010, the Company had Total Assets of approximately £911.9 million.

The Board announced on 9 June 2010 that the Company had reached agreement with FCPT on the terms of a recommended acquisition of the business and assets of FCPT (including the FCPT Subsidiaries which hold the FCPT Property Portfolio) by the Company to be effected through a voluntary solvent liquidation of FCPT, the issue of New UKCPT Shares by the Company and the provision of a cash alternative. The FCPT Property Portfolio comprises 32 UK commercial properties.

The Scheme

The acquisition of FCPT's business and assets (including the FCPT Subsidiaries which hold the FCPT Portfolio) by the Company will be achieved through a voluntary solvent liquidation of FCPT with options for FCPT Shareholders to elect to:

- roll over their investment in FCPT into New UKCPT Shares (the "Rollover Option"); or
- receive 91p in cash per FCPT Share (the "Cash Option"); or
- select the Cash Option in respect of certain of their FCPT Shares and the Rollover Option in respect of the balance.

FCPT Shareholders who do not make a valid election for the Cash Option will be deemed to have elected for the Rollover Option. Upon the liquidation of FCPT, the Liquidator will implement the Scheme by distributing FCPT's business and assets to the Company in return for an issue of New UKCPT Shares to FCPT Shareholders who have elected (or are deemed to have elected) for the Rollover Option and a payment of cash, sufficient to meet elections under the Cash Option plus an amount estimated by the Liquidator of FCPT to be sufficient to meet the actual and contingent liabilities of FCPT and an additional amount, not to exceed £250,000, which the Liquidator considers to be appropriate to provide for any unknown liabilities of FCPT. The Scheme will result in all of the subsidiaries of FCPT being transferred to the Company and FCPT then being wound up.

Further details of the Scheme are set out in Part 3 of this document.

Benefits of the Scheme

The Board believes that the Scheme offers significant benefits for all Shareholders as noted below:

- The Scheme will result in a substantial increase in the size of the Company's property portfolio to approximately £1.7 billion (compared to the Company's current property portfolio which is valued at approximately £880 million), which will:
  - diversify further the property and tenant exposure;
  - provide complementary geographic and sector exposures without incurring material acquisition costs;
  - improve the profile of lease expiries by spreading them over a more diversified tenant base and provide attractive asset management opportunities in the medium term;
  - enable the Enlarged UKCPT to obtain exposure to assets with a larger lot size; and
  - enhance the Enlarged UKCPT's ability to undertake asset management initiatives in the Combined Portfolio without having a material adverse effect on the Combined Portfolio's income returns.
- The Scheme offers the Company exposure to the FCPT Property Portfolio which has strong capital growth opportunities through its significant South East and Central London sector weightings.
- The Enlarged UKCPT is expected to have a market capitalisation (based on FCPT's and the Company's closing share prices as at 8 July 2010) of approximately £1.6 billion (on the assumption that no FCPT Shareholders elect to receive cash under the Cash Option). This increase in scale should significantly enhance the liquidity in UKCPT Shares, widen the shareholder base and increase the attractiveness of the Enlarged UKCPT to existing and new investors.

- There will be a significant reduction in the Total Expense Ratio of the Enlarged UKCPT compared to the current Total Expense Ratio of the Company, largely as a result of a reduction in the Enlarged UKCPT's management fees.
- The Scheme offers the Company the opportunity to acquire a significant prime UK commercial property portfolio with minimal associated transaction costs, funded by the issue of New UKCPT Shares to FCPT Shareholders at the FAV, calculated as at 30 June 2010. The Issue Costs (which include the costs and expenses payable by the Company in relation to the Scheme) will be approximately £4.6 million and be borne by all Continuing Shareholders. These costs would be approximately 0.58 per cent. of the value of the FCPT Property Portfolio. This compares to the typical costs of acquiring a UK property of approximately 5.75 per cent. of the purchase price.
- Ignis has a strong investment management team which has managed the acquisition of a number of property portfolios in recent years. As part of a further expansion of its business and in connection with the increase in its funds under management, Ignis has committed to add further asset management, research and administrative support for the management of the Enlarged UKCPT. Ignis has also agreed to meet the compensation payable to F&C upon the termination of the investment management agreements with the FCPT Group in respect of the balance outstanding of the six month notice period as at the Effective Date.
- An increase in the gearing of the Company, at minimal cost, through assuming the FCPT Bonds of £230 million, fixed at an interest rate of 5.23 per cent. per annum until 2015 and the Barclays facility of £50 million fixed at an interest rate of 4.88 per cent. per annum until 2017.
- A significant reduction in the Phoenix Group Companies' majority shareholding in the Company, which, as a result of the Scheme could fall below 50 per cent. in the Enlarged UKCPT.

The Cash Option

Under the Cash Option, eligible FCPT Shareholders may elect to dispose of some or all of their FCPT Shares for 91p per share in cash.

Friends Provident and Phoenix, have undertaken not to elect for the Cash Option in respect of their holdings of FCPT Shares. It is a condition of the Scheme that if elections under the Cash Option are made for more than 170 million FCPT Shares (being approximately 50 per cent. of the issued FCPT Shares held by FCPT's Independent Shareholders) then the Scheme will not proceed.

The maximum aggregate amount of cash required by the Company to fund the Cash Option would be approximately £155 million, for 170 million FCPT Shares at 91p per share. The Company will fund the Cash Option through the combination of an issue of New UKCPT Shares to Phoenix for cash and its existing cash resources. The amount of cash required will depend on elections received under the Cash Option and cannot therefore be determined in advance of the Scheme concluding. Further details of the Phoenix Subscription are set out in Part 3 of this document.

Shareholder support

The Company and FCPT have received irrevocable undertakings from Friends Provident, Phoenix and PALAL to vote in favour of the resolutions (other than any resolutions only to be voted on by Independent Shareholders) to be proposed at the Extraordinary General Meeting and the FCPT EGM respectively, in respect of a total of 808,515,311 Ordinary Shares, representing approximately 67.53 per cent. of the Ordinary Shares with voting rights and a total of 338,242,838 FCPT Shares, representing approximately 49.70 per cent. of the FCPT Shares. Friends Provident and Phoenix have also irrevocably undertaken to receive New UKCPT Shares under the Scheme in respect of their investment in FCPT and not to elect for the Cash Option.

The Board and the FCPT Board and their advisers have consulted with a number of Independent Shareholders to ascertain their views on the outline proposals. The Board and the FCPT Board have also consulted with investors representing a significant majority of the Independent Shareholders (i.e. Shareholders other than Phoenix Group Companies and Friends Provident) on the detailed terms of the recommended proposals announced on 9 June 2010. Following these discussions, each of the Board and the FCPT Board and their respective advisers are confident that the Proposals will be supported by a majority of Independent Shareholders at the EGM and the FCPT EGM.

Extraordinary General Meeting

The Proposals are conditional, *inter alia*, on the approval of Shareholders. An Extraordinary General Meeting has been convened for 9.00 a.m. on 9 August 2010 at which two resolutions will be proposed. Resolution 1, a special resolution, will be proposed to approve changes to the Company's investment policy and to the Articles. All Shareholders will be entitled to vote on this resolution. Resolution 2, an ordinary resolution, will be proposed to approve elements of the Proposals (including the proposed Acquisition which is a Class 1 transaction under Chapter 10 of the Listing Rules) as a related party transaction between the Company and Phoenix Group. The Phoenix Group Companies will not be entitled to vote on Resolution 2. The Proposals do not involve Friends

Provident entering into a related party transaction with the Company for the purpose of Chapter 11 of the Listing Rules. Nonetheless, Friends Provident has undertaken to the Board that it will abstain from voting on Resolution 2 and take all reasonable steps to ensure that its Associates will not vote on this resolution, in order to ensure that the approval of a majority of Independent Shareholders voting on Resolution 2 at the EGM is required before Resolution 2 is passed. Further details of the Resolutions and the conditions to the Scheme are set out in Part 3 of this document.

Investment policy

Current investment policy of the Company

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

Investment risks are spread through the Company and its subsidiaries investing in a diversified portfolio of freehold and long leasehold (over 60 years remaining at the time of acquisition) UK commercial properties. The UKCPT Group invests in income producing investments. The UKCPT Group principally invests in three commercial property sectors: office, retail and industrial. The UKCPT Group has not set any maximum weighting limits in the principal property sectors. No single property shall, however, exceed at the time of acquisition 15 per cent. of the gross assets of the UKCPT Group.

The UKCPT Group is permitted to invest up to 15 per cent. of its Total Assets in indirect property funds including in other listed investment companies. The UKCPT Group is permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits, gilts and money market funds.

Gearing, calculated as borrowings as a percentage of the UKCPT Group's gross assets, may not exceed 65 per cent. The Board's current intention is that borrowings at the time of draw down will be limited to the higher of 10 per cent. of the UKCPT Group's net assets or £80 million, subject to the proposed amendments referred to below. The Board receives recommendations on gearing levels from the Investment Manager and is responsible for setting the gearing range within which the Investment Manager may operate.

In connection with the Scheme, the Company proposes to amend its investment policy to state that (i) the Board intends that borrowings of the Enlarged UKCPT Group at the time of draw down will be limited to 25 per cent. of the Total Assets of the Enlarged UKCPT's group of companies; and (ii) for so long as the Lloyds Facility remains outstanding, it is the Board's current intention that borrowings of the Company will be limited to a maximum of 10 per cent. of the UKCPT Group's net assets at the time of draw down. Otherwise, the investment policy of the Enlarged UKCPT will continue in its present form. Under the Listing Rules, the proposed change requires the prior approval of Shareholders. This change is therefore subject to the passing of Resolution 1 at the EGM and the Scheme becoming effective. The proposed new investment policy is set out below.

Proposed amendments to the investment policy of the Enlarged UKCPT

The Enlarged UKCPT's investment objective will be to provide Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified portfolio of UK commercial properties.

Investment risks are spread through the Company and its subsidiaries investing in a diversified portfolio of freehold and long leasehold (over 60 years remaining at the time of acquisition) UK commercial properties. The UKCPT Group intends to invest in income producing investments. The UKCPT Group will principally invest in three commercial property sectors: office, retail and industrial. The UKCPT Group has not set any maximum weighting limits in the principal property sectors. No single property shall, however, exceed at the time of acquisition 15 per cent. of the gross assets of the UKCPT Group.

The UKCPT Group is permitted to invest up to 15 per cent. of its Total Assets in indirect property funds including in other listed investment companies. The UKCPT Group is permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits, gilts and money market funds.

Gearing, calculated as borrowings as a percentage of the UKCPT Group's gross assets, may not exceed 65 per cent. The Board intends that borrowings of the Enlarged UKCPT Group at the time of draw down will not exceed 25 per cent. of the Total Assets of the Enlarged UKCPT Group. For so long as the Lloyds Facility remains outstanding, it is the Board's current intention that borrowings of the Company will be limited to a maximum of 10 per cent. of the UKCPT Group's net assets at the time of draw down. The Board receives recommendations on gearing levels from the Investment Manager and is responsible for setting the gearing range within which the Investment Manager may operate.

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

The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and will not, at any time, conduct any trading activity which is significant in the context of the UKCPT Group as a whole.

The property portfolio

The UKCPT Property Portfolio

The UKCPT Property Portfolio currently comprises 39 properties with an aggregate Market Value of approximately £880 million. The UKCPT Property Portfolio generates a current net annual rent of approximately £62 million (being a running income return of 7.0 per cent. on its Market Value).

The Properties in the UKCPT Property Portfolio have been ranked in the 17th percentile of portfolios for covenant strength in the independent IPD IRIS as at 31 March 2010. The average unexpired lease term of the occupational leases of these Properties (weighted by current gross annual rent) is approximately 9 years and 8 months and all of the rent review provisions in the occupational leases of the Properties are upwards only or based on turnover.

The FCPT Property Portfolio

UKCPT has agreed to acquire the business and assets of FCPT, including the FCPT Property Portfolio, pursuant to the Scheme. The FCPT Property Portfolio currently comprises 32 properties with an aggregate Market Value of approximately £800 million. The FCPT Property Portfolio generates a current net annual rent of approximately £51 million (being a running income return of 6.4 per cent. on its Market Value).

The Properties comprising the FCPT Property Portfolio have been ranked in the 35th percentile of portfolios for covenant strength in the independent IPD IRIS as at 31 March 2010. The average unexpired lease term of the occupational leases of the Properties (weighted by current gross annual rent) is approximately 6 years and 7 months and all of the rent review provisions in occupational leases of the Properties are upwards only or based on turnover.

The Combined Portfolio

In the event that the Proposals are approved by Shareholders and FCPT Shareholders and all of the FCPT Property Portfolio is acquired, the Enlarged UKCPT will hold the Combined Portfolio comprising 71 properties with an aggregate Market Value of approximately £1.7 billion. The Combined Portfolio would generate a current net annual rent of approximately £113 million (being a running income return of 6.7 per cent. on its Market Value).

The Properties in the Combined Portfolio have been ranked in the 26th percentile of portfolios for covenant strength in the independent IPD IRIS. The average unexpired lease term of the occupational leases of these Properties (weighted by current gross annual rent) is approximately 8 years and 3 months, compared to the equivalent figure for an average commercial property portfolio, as represented by the independent IPD IRIS, of 9 years and 10 months.

The Directors believe that the Combined Portfolio provides a stable capital base with the potential for both capital and income growth.

Further details of the UKCPT Property Portfolio, the FCPT Property Portfolio and the Combined Portfolio are set out in Part 4 of this document. The valuation report of the UKCPT Property Portfolio is set out in Section A of Part 5 of this document. The valuation report of the FCPT Property Portfolio is set out in Section B of Part 5 of this document.

The commercial property market in the UK

The global economy has recently suffered one of the most severe economic downturns since the Second World War. The extreme turmoil over the past three years has had a significant impact on pricing and liquidity across investment classes, including global property. The global economy is, however, now entering a recovery phase though at different speeds for different countries/economic blocs. In a number of economies this has been assisted by massive government fiscal and monetary stimuli, although this is now being withdrawn.

Most developed economies have now come out of recession but GDP growth remains very subdued. However, a number of developed economies, including the UK, remain at risk of low or no GDP growth, or even a second recession, as a result of steps being taken by a number of governments to cut deficits which will have a negative impact on employment and consumer demand.

Over the course of the two year period to June 2009, the UK commercial property market (as measured by the IPD Monthly Index) fell by 44.2 per cent. from its peak in June 2007. However, over the nine month period which ended on 31 March 2010, the UK commercial property market has seen investment yield compression leading to capital growth of 14 per cent. over this period.

The recovery in the IPD Monthly Index is believed to have been driven by positive sentiment towards certain commercial property sectors and the consequent demand for the limited amount of available stock within these sectors. Given the lag between movements in GDP and their consequent impact on occupational demand, there is currently little data to suggest a market wide recovery in rental growth and in the short term concerns remain over occupier demand and the impact on rental growth prospects of the recession and reduced growth following the withdrawal of fiscal and monetary stimuli.

Over the medium term, the impact of a slowly recovering economy and the expected lack of development in the intervening period is expected to combine to provide a resumption of rental growth. In the interim, the gulf between the pricing of prime and secondary property assets is likely to widen further reflecting the relative risks to income returns.

The banking sector now holds a significant stake in the property market as a consequence of heavy lending over the last 3 to 4 year period. There are now signs that the banks are seeking to reduce this exposure and this could put downward pressure on prices and property valuations. However, this risk relates principally to the more secondary end of the UK commercial property market.

Total returns on UK commercial property are expected to be positive in 2010. There remains a relatively wide dispersion in the forecast returns. Returns in the first half of 2010 have been driven by yield compression and only at the prime end of the market but capital growth is expected to slow in the second half of 2010. In 2011, it is expected that total returns will be driven almost exclusively by income returns. With an expected resumption of rental growth in 2012, medium term total returns are forecast to be in the region of 8 per cent. to 10 per cent. per annum.

Although the current market conditions continue to create risks for many property investors, there are opportunities for investors with strong balance sheets and access to funds to make investments at this stage in the property cycle. The Board believes that the UKCPT Group's property portfolio will benefit from the stronger relative performance of prime property over the medium term and that the UKCPT Group remains well placed to take advantage of opportunities in the current market conditions.

Capital structure and duration

Share capital and duration

The Company's share capital structure consists solely of, and following Admission will continue to consist solely of, Ordinary Shares. The New UKCPT Shares will rank *pari passu* with the issued Ordinary Shares save that holders of the New UKCPT Shares will not be entitled to the third interim dividend to be paid by the Company to existing Shareholders. The Company does not have a fixed life. Under the Articles, the Board is obliged to propose a continuation vote at the annual general meeting of the Company in 2016. At the Extraordinary General Meeting, the Directors will propose Resolution 1 as a special resolution, *inter alia,* to amend the Articles to require the continuation vote to be proposed at the annual general meeting of the Company in 2015 in line with the current FCPT Articles.

If the Scheme becomes effective, then in the event that the continuation vote is passed at the annual general meeting of the Company in 2015, the Board would give consideration to offering shareholders who voted against that resolution the opportunity to realise their investment in the Company within a reasonable time period after the date of the annual general meeting in 2015, subject to any additional shareholder approvals required at the time to implement such an exit. Continuing Shareholders should note that the decision on whether to introduce this exit mechanism is entirely at the discretion of the Board.

Further issues of Ordinary Shares

In accordance with the Articles and the Law, the Directors have authority to allot an unlimited number of UKCPT Shares of £0.25 each.

Other than the Ordinary Shares to be issued in connection with the Proposals, the Board does not presently intend to issue any further Ordinary Shares. However, the Board will consider opportunities to acquire further commercial properties where it believes to do so would enhance returns to Shareholders. The Board may consider issuing further shares to fund any such further acquisitions of commercial properties where the Directors consider it to be in the best interests of Shareholders to do so.

Treasury shares

Pursuant to the Law and the Articles, the Company has and will continue to have the ability to hold up to 10 per cent. of its issued share capital in treasury, as described in more detail below under "Share buy backs and continuation votes" on page 31.

Borrowings

UKCPT borrowings

The Company has the power under the Articles to borrow an amount up to 65 per cent. of the UKCPT Group's gross assets (as defined in the Articles). The Board currently intends that borrowings at the time of drawn down will be limited to a maximum of the higher of 10 per cent. of the UKCPT Group's net assets and £80 million. In connection with the Scheme, the Company proposes to amend its investment policy to state that (i) the Board intends borrowings of the Enlarged UKCPT Group at the time of draw down will be limited to 25 per cent. of the Total Assets of the Enlarged UKCPT group of companies; and (ii) for so long as the Lloyds Facility remains outstanding, it is the Board's current intention that borrowings of the Company will be limited to a maximum of 10 per cent. of the UKCPT Group's net assets at the time of draw down.

The Company has arranged the Lloyds Facility under which it is entitled to draw down an aggregate principal amount of £80 million, of which £42.1 million was drawn down as at 8 July 2010. The UKCPT Group's borrowings represent approximately 4.62 per cent. of its Total Assets.

The Lloyds Facility will be repayable on 19 June 2015. Interest on the Lloyds Facility is payable at a rate equal to the aggregate of LIBOR, mandatory costs of Lloyds and a margin of between 0.5 per cent. and 0.7 per cent. per annum depending on the loan to value ratio. On 4 March 2010, the Company entered into an interest rate swap agreement with Lloyds TSB Bank Plc which fixed the aggregate interest rate, including the margin, at 3.55 per cent. on the £42.1 million drawn down for the full term of the Lloyds Facility. The Lloyds Facility is secured by floating charges over the assets of the UKCPT Group.

Further details of the Lloyds Facility Agreement are set out in paragraph 8.1.7 of Part 9 of this document.

FCPT's borrowings

Secured Bonds

FCPT has the power under the FCPT Articles to borrow an amount up to 65 per cent. of the FCPT Group's gross assets (as defined in the FCPT Articles). FCPT's current gearing policy is that borrowings are limited to a maximum of 35 per cent. of the Total Assets of the FCPT Group at the time of drawdown.

The Bond Issuer has issued £230 million of secured bonds which have been assigned an "Aaa" rating by Moody's. The Bond Issuer is not a member of the FCPT Group. However, the proceeds of the issue of the Bonds have been on-lent by the Bond Issuer to FCPT Holdings (one of the FCPT Subsidiaries to be acquired by the Company) pursuant to the Bond Facility Agreement.

The Bond Issuer is a special purpose vehicle which was incorporated to be the issuer of the Bonds. The Bonds are listed on the Official List and are admitted to trading on the London Stock Exchange's main market for listed securities. The Bonds carry interest at a fixed rate of 5.23 per cent. per annum. The amounts borrowed by FCPT under the Bond Facility Agreement are repayable on 30 June 2017. However, it is currently expected that the Bonds will be repaid in full on 30 June 2015.

FCPT Holdings' obligations under the Bond Facility Agreement are secured by fixed and floating charges granted over the assets of the FCPT Secured Group (which are FCPT Subsidiaries but do not include the SCP Secured Group). If the Scheme becomes effective, FCPT Holdings' obligations under the Bond Facility Agreement will not be secured over the assets of the Enlarged UKCPT Group other than those assets of the FCPT Secured Group.

Barclays Facility

SCP Holdings, a member of the FCPT Group which will be acquired by the Company under the Scheme, has arranged the seven year Barclays Facility under which it has drawn down an aggregate principal amount of £50 million in order to fund partly the acquisition of certain properties at St. Christopher's Place Estate from the FCPT Property Subsidiary (another member of the FCPT Group which will be acquired by the Company under the Scheme).

The Barclays Facility will be repayable on 28 June 2017. Interest on the Barclays Facility is payable at a rate equal to the aggregate of LIBOR, mandatory costs of Barclays and a margin of 1.95 per cent. per annum. The interest payable under the Barclays Facility has been fixed through an interest rate swap at an aggregate interest rate of 4.88 per cent. per annum for the full term of the facility, including the margin. The Barclays Facility is secured by a fixed legal charge over the properties at St. Christopher's Place Estate and floating charges by the members of the SCP Secured Group. If the Scheme becomes effective, SCP Holdings' obligations under the Barclays Facility Agreement will not be secured over the assets of the Enlarged UKCPT Group other than the assets of the SCP Secured Group. The terms of the Barclays Facility include covenants which are typical for a facility of this nature. These covenants include a right of Barclays to request repayment in the event that the parent company of SCP Holdings ceases to hold 100 per cent. of such company's share capital and a repayment obligation if SCP Estate ceases to be a wholly owned subsidiary of SCP Holdings. Barclays has consented to the transfer of SCP Holdings to the UKCPT Group.

Further details of the Barclays Facility Agreement are set out in paragraph 8.2.8 of Part 9 of this document.

As at 30 June 2010, the principal amount of the FCPT's total borrowings represented approximately 30 per cent. of the FCPT's Group's Total Assets.

The Enlarged UKCPT's borrowings

As mentioned in the section entitled "UKCPT borrowings" on page 29 and 30 of this Part 1, in connection with the Scheme, the Company proposes to amend its investment policy to state that (i) the Board intends that borrowings of the Enlarged UKCPT Group at the time of draw down will be limited to 25 per cent. of the Total Assets of the Enlarged UKCPT group of companies; and (ii) for so long as the Lloyds Facility remains outstanding, it is the Board's current intention that borrowings of the Company will be limited to a maximum of 10 per cent. of the UKCPT Group's net assets at the time of draw down.

The Proposals will have no impact on the FCPT Bonds. There are no proposals to amend or alter any of the provisions of the Bond documentation or to change the structure of the FCPT Secured Group. The fixed and floating charges over the assets of the FCPT Secured Group, securing the FCPT Bonds, will not cover the assets of the Enlarged UKCPT outwith the FCPT Secured Group, nor will they cover assets of subsidiaries of the Enlarged UKCPT incorporated outwith the FCPT Secured Group.

It is estimated that following the implementation of the Scheme and Admission (and on the assumption that valid elections for the Cash Option are made in respect of 5 per cent. of the issued FCPT Shares), the principal amount of the Enlarged UKCPT's borrowings will represent 17.4 per cent. of the Enlarged UKCPT's Total Assets. net of the Enlarged UKCPT's cash reserves of £185.7 million, this will equate to net gearing of 8.2 per cent.

Dividends

The total dividend paid by the Company per Ordinary Share was 5.25p for the year to 31 December 2009. The Board's current intention is to pay an attractive level of dividend income to Shareholders on a quarterly basis.

It is intended that, the Company will pay a third interim dividend of 1.3125p per share. This third interim dividend will be paid in August 2010 to UKCPT Shareholders on its register as at the UKCPT Dividend Record Date. Holders of New UKCPT Shares will not be entitled to this dividend.

Thereafter, dividends on the Ordinary Shares are normally expected to be paid in equal instalments quarterly in respect of each financial year in April, July, October and January. The first dividend to be paid to all Continuing Shareholders in the Enlarged UKCPT will be paid in October 2010. In the absence of unforeseen circumstances, the Board intends to maintain the dividend payout from the Company, on its enlarged share capital, at the same level, namely 5.25p per Ordinary Share per annum, which will continue to be paid in equal instalments quarterly.

In accordance with typical accounting policies for investment companies, the Board expects that they will continue to effectively charge a proportion of the Enlarged UKCPT's expenses to capital. Accordingly, in the absence of capital and/or income growth in the Combined Portfolio, the expected dividend policy of the Enlarged UKCPT will lead to a reduction in the net asset value per New UKCPT Share.

For further information on the tax treatment of an investment in the Company, please refer to the paragraphs headed "Taxation" on pages 40 to 42 of this document.

Share buy backs and continuation votes

The Board has authority to buy back up to 177,646,318 Ordinary Shares (being 14.99 per cent. of the number of UKCPT Shares in issue as at 4 June 2010 (excluding Ordinary Shares held by the Company in treasury) being the date on which such authority was granted by special resolution) and will seek annual renewal of this authority from Shareholders. Any buy back of Ordinary Shares will be made subject to the Law and within guidelines established from time to time by the Board (which will take into account the income and cash flow requirements of the Company) and the making and timing of any buy backs will be at the absolute discretion of the Board.

Purchases of Ordinary Shares will only be made through the market for cash at prices below the prevailing published net asset value of an Ordinary Share (as last calculated) where the Board believe such purchases will enhance shareholder value. Such purchases will also only be made in accordance with the Listing Rules which provide that the price to be paid must not be more than five per cent. above the average of the middle market quotations for the Ordinary Shares for the five business days before the purchase is made.

The Company may retain any UKCPT Shares bought back as treasury shares for future re-issue and re-sale or transfer or may cancel any such UKCPT Shares. During the period when the Company holds Ordinary Shares as treasury shares, the rights and obligations in respect of those Ordinary Shares may not be exercised or enforced by or against the Company. Pursuant to the Law and the Articles, the maximum number of Ordinary Shares that can be held as treasury shares by the Company is 10 per cent. of the aggregate nominal value of all of the issued Ordinary Shares. Ordinary Shares held as treasury shares will only be re-issued, re-sold or transferred at prices which are not less than the published net asset value of an Ordinary Share.

It is the intention of the Directors that the share buy back authority will be used to purchase Ordinary Shares (subject to the income and cash flow requirements of the Company) if the share price of a UKCPT Share is more than 5 per cent. below the published net asset value for a continuous period of 90 dealing days or more. In the event that such discount is more than 5 per cent. for 90 dealing days or more following the second anniversary of the Company's most recent continuation vote (10 July 2009), the Directors will convene an extraordinary general meeting to be held within three months to consider an ordinary resolution for the continuation of the Company. If this continuation resolution is not passed, the Directors will convene a further extraordinary general meeting to be held within six months of the first extraordinary general meeting to consider the winding up of the Company or a reconstruction of the Company which offers all Shareholders the opportunity to realise their investment. If any such continuation resolution is passed, this discount policy, save in respect of share buy backs, would not apply for a period of two years thereafter.

Takeover Code restrictions on share buy backs

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the Takeover Code) which when taken together with shares already held by him or held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, or who is interested in shares carrying 30 per cent. or more of the voting rights but who does not hold shares carrying more than 50 per cent. of the voting rights of such a company and who acquires an interest in any additional shares carrying voting rights of that company is normally required to make a general cash offer to all the remaining shareholders of the company to acquire their equity shares and transferable securities carrying voting rights in the company. An offer under Rule 9 of the Takeover Code must be in cash at the highest price paid by the person or the group of persons acting in concert in the preceding 12 months. Rule 37 of the Takeover Code extends this principle so that, when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code (although a shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code). It is estimated that, if the Scheme becomes effective, Phoenix and PALAL (both Phoenix Group Companies) will hold 45.71 per cent. of the Enlarged UKCPT's issued shares carrying voting rights if no elections are made for the Cash Option and 55.21 per cent. if the Cash Option is fully taken up and Phoenix subscribes for its maximum commitment under the Phoenix Subscription Agreement of £130 of million New UKCPT Shares. On the same basis, the FP Group would hold 14.76 per cent. and 15.01 per cent. respectively of the Enlarged UKCPT. In the event that Phoenix Group Companies are interested in shares carrying 30 per cent. or more of the voting rights but do not hold shares carrying more than 50 per cent. of the voting rights in the Enlarged UKCPT following the Effective Date, the Company will not be able to buy back shares without ensuring that an appropriate resolution to approve a waiver of the Rule 9 obligation described above (a “whitewash resolution”) is put to independent shareholders prior to, and as a pre-condition of, implementation of its current buy back authority granted at the annual general meeting of the Company on 4 June 2010, unless it buys back the Phoenix Group Companies' proportionate holding of UKCPT Shares. Accordingly, if the Scheme becomes effective and the Phoenix Group Companies are interested in shares carrying 30 per cent. or more of the voting rights but do not hold shares carrying more than 50 per cent. of the voting rights in the Enlarged UKCPT following the Effective Date, the Board intends to request, in due course, that the Takeover Panel grant a waiver of Rule 9 in respect of any buy backs under the current authority and will convene a general meeting at which Shareholders, other than Phoenix Group Companies, can consider an ordinary resolution to approve the whitewash resolution.

Part 2

Additional information

Group structure

The Company

The Company is a Guernsey incorporated authorised closed-ended investment company without a fixed life. The Company has received authorisation as an authorised closed-ended investment scheme from the Guernsey Financial Services Commission under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, and the Authorised Closed-ended Investment Scheme Rules 2008 made thereunder. The share capital of the Company, consisting solely of Ordinary Shares, is listed on the Official List and traded on the main market of the London Stock Exchange.

The Property Subsidiary

The Property Subsidiary is the principal property investment holding company for the Company and will continue to acquire properties and indirect property holdings in accordance with the Company's investment policy. The Company has agreed to fund the Property Subsidiary by way of share and/or loan capital in amounts to be determined from time to time.

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

The GP

The GP acts as an investment holding company for the Company and as the general partner of the GLP. The GP, as general partner of the GLP, holds investments in accordance with the Company's investment policy. The Company has agreed to fund the GP by way of share and/or loan capital in amounts to be determined from time to time.

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

The GLP

The GLP is a Guernsey limited partnership established on 6 September 2006 by the GP, the Property Subsidiary and The Droit Purpose Trust, a Jersey purpose trust. The GP is the general partner of the GLP and has a partnership interest of one per cent. in the GLP. The Property Subsidiary is a limited partner of the GLP and has a partnership interest of 98.99 per cent. The Droit Purpose Trust is a limited partner of the GLP and has a partnership interest of 0.01 per cent. The GLP holds units in a number of JPUTs, details of which are set out in paragraphs 1.5 to 1.11 of Part 9 of this document.

The objective of the GLP is to hold the Properties comprising the UKCPT Property Portfolio and units in a number of JPUTs for investment purposes in accordance with the investment policy of the Company and subject to the overall supervision and direction of the Board. Under the partnership agreement of the GLP, the GP, as the general partner of the GLP, is required to act in accordance with, and to ensure that the GLP is managed so that it conforms with, the Company's investment policies and the related requirements that apply to the Company. The GLP is also a party to the Investment Management Agreement.

Jersey property unit trusts

The UKCPT Group holds a number of Properties through JPUTs. The Investment Manager is the investment adviser to each of the JPUTs. The objective of each JPUT is to hold the relevant Property for investment purposes in accordance with the investment policy of the Company and subject to the overall supervision and direction of the Board. Under each of the trust instruments establishing the JPUTs, the trustees of each of the JPUTs are required to ensure that each of the JPUTs are managed so that they conform with the Company's investment policy and the related requirements that apply to the Company. The Board, through the UKCPT Group's holdings of units of these JPUTs, is able to remove any of the trustees at any time.

FCPT Holdings

FCPT Holdings will remain the holding company of the FCPT Property Subsidiary which is a Guernsey incorporated company. FCPT Holdings is part of the FCPT Secured Group. Its directors will be the same as those of the Enlarged UKCPT and the Enlarged UKCPT will be able to control the investment policy of FCPT Holdings to ensure that it complies with the investment policy of the Enlarged UKCPT and the investment restrictions that apply to the Enlarged UKCPT.

The FCPT Property Subsidiary

The FCPT Property Subsidiary is the principal property investment holding company for FCPT. The FCPT Property Subsidiary is part of the FCPT Secured Group. The FCPT Property Subsidiary is a Guernsey incorporated company which is wholly owned by FCPT Holdings. Its directors will be the same as those of the Enlarged UKCPT and the Enlarged UKCPT will be able to control the investment policy of the FCPT Property Subsidiary to ensure that it complies with the investment policy of the Enlarged UKCPT and the investment restrictions of the Enlarged UKCPT.

SCP Holdings

SCP Holdings is a Guernsey incorporated company which is wholly owned by FCPT. It is the holding company of SCP Estate. SCP Holdings does not form part of the FCPT Secured Group. Its directors will be the same as those of the Enlarged UKCPT and the Enlarged UKCPT will be able to control the investment policy of SCP Holdings to ensure that it complies with the investment policy of the Enlarged UKCPT and the investment restrictions that apply to the Enlarged UKCPT.

SCP Estate

SCP Estate is a property investment holding company for FCPT. It was incorporated in order to hold the property at St. Christopher's Place Estate which forms part of the FCPT Property Portfolio. SCP Estate does not form part of the FCPT Secured Group. SCP Estate is a Guernsey incorporated company which is wholly owned by SCP Holdings. Its directors will be the same as those of the Enlarged UKCPT and the Enlarged UKCPT will be able to control the investment policy of SCP Estate to ensure that it complies with the investment policy of the Enlarged UKCPT and the investment restrictions that apply to the Enlarged UKCPT.

Further subsidiaries and investment structures

The structure to be used for any future acquisition of property assets will be reviewed at the time of acquisition and the Enlarged UKCPT may invest in property assets by means of any structure which is considered to be appropriate in the circumstances of the proposed acquisition. Accordingly, the Company may, without limit, incorporate further subsidiaries to hold property assets or may acquire the share capital of companies, partnership interests in partnerships or units in unit trusts (or similar vehicles) which own one or more properties, all of which would be wholly owned by the Enlarged UKCPT. The Enlarged UKCPT will also be permitted to forward fund purchases of properties, make development loans and acquire options over properties.

Directors and Proposed Directors

It is intended that John Stephen, Peter Niven and Nicholas Tostevin will join the Board and that Keith Dorrian will resign from the Board on or immediately prior to the Effective Date. It is intended that John Stephen will be appointed as Chairman of the Enlarged UKCPT and that Christopher Hill will be appointed as Deputy Chairman. It is therefore expected that, following the Effective Date, the board of the Enlarged UKCPT will comprise seven Directors, being John Stephen, Christopher Hill, Christopher Fish, Peter Niven, John Robertson, Nicholas Tostevin and Andrew Wilson.

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

Christopher Hill (Chairman) (aged 57). Christopher Hill is a resident of Guernsey. He is an Associate of the Chartered Institute of Bankers and was managing director of Guernsey International Fund Managers Limited, part of the Barings Financial Services Group, for eight years prior to its sale in 2005 to Northern Trust. He has over 35 years' experience in the field of offshore banking and fund administration and is a past Chairman of the Guernsey Investment Funds Association. He is Chairman of Close Fund Management Portfolios II PCC Limited which is listed in London and a director of two other London listed companies. If the Scheme becomes effective, Christopher Hill will be appointed as Deputy Chairman of the Enlarged UKCPT.

Keith Dorrian (aged 63). Keith Dorrian is a resident of Guernsey. He has over 30 years' experience in the offshore finance industry. He joined Manufacturers Hanover in 1973 before moving to First National Bank of Chicago in 1984. In 1989 he joined ANZ Bank (Guernsey) where as a director of the bank and fund management company he was closely involved in the banking and fund management services of the group. He took up the position of manager, corporate clients in Bank of Bermuda, Guernsey in 1999 and was appointed Guernsey head of global fund services and managing director of the bank's Guernsey fund administration company in 2001, retiring on 31 December 2003. He holds the IOD Diploma in Corporate Governance and he is currently a director of a number of funds and fund management companies some of which are listed on London, Dublin, Euronext and CISX Exchanges.

Christopher Fish (aged 65). Christopher Fish is a resident of Guernsey. Until his retirement in 2008, he was Managing Director of Close International Private Banking. Mr Fish has over 30 years' experience in offshore banking, asset management, treasury, trust services and fund administration. Mr Fish is non-executive Chairman of Close International Asset Management Holdings Limited and Close International Bank Holdings Limited and is a director of eight other listed funds.

John Robertson (aged 57). John Robertson is a resident of the UK. Mr Robertson has over 35 years' experience in investment management in a variety of roles, and is currently Chief Risk Officer at Ignis Investment Services Limited with responsibility for the risk, compliance and internal audit departments. He is a current director of Ignis International Funds plc, Ignis Alternative Funds plc, Ignis Liquidity Fund plc and Ignis Strategic Solutions plc which are all open ended investment companies with variable capital listed on the Irish Stock Exchange. He is a Fellow of the Chartered Association of Certified Accountants.

Andrew Wilson (aged 56). Andrew Wilson is a resident of the UK. He was formerly with Richard Ellis, Royal Insurance as chief surveyor and he joined Rugby Securities as a director in 1987. He was a founder director of Rugby Estates plc in 1990 and has been chief executive officer since its flotation in 1994. Rugby Estates plc was listed on the Official List but subsequently moved to the Alternative Investment Market of the London Stock Exchange.

John Stephen (Proposed Chairman) (aged 60). John Stephen is a UK resident. He is a chartered surveyor with over 35 years of property experience with Jones Lang LaSalle where he was Chairman for England until he retired from the firm in October 2009. He is currently a director of Max Property Group plc, an adviser to Evans Property Group, a trustee of the Portman Estate and an adviser to Lloyds Banking Group's Corporate Real Estate unit. He is a charity trustee, a school governor and a property adviser to the Duchy of Cornwall.

Peter Niven (aged 56). Peter Niven is a resident of Guernsey. He has over 34 years' experience in the financial services industry both in the UK and offshore. He was a senior executive in the Lloyds TSB Group until his retirement in 2004 and, since then, has been the Chief Executive of Guernsey Finance LBG, promoting the island as a financial services destination. He also serves on the boards of a number of London-listed investment funds in addition to being an independent non-executive director of Resolution Limited, which is the parent company of Friends Provident (the largest shareholder of FCPT). Mr Niven is a Fellow of the Chartered Institute of Bankers and a Chartered Director.

Nicholas Tostevin (aged 57). Nicholas Tostevin is a resident of Guernsey. He is an Advocate of the Royal Court of Guernsey and was, until 31 May 2009, the senior partner of Babbé when he ceased to practise as such. He gave legal advice on commercial property transactions in Guernsey for over 30 years. He was a member of the Guernsey legislature, the States of Deliberation, from 1991 to 1997 and was a member of the Guernsey Income Tax Authority for six years. He is a non-executive director of a number of captive insurance companies and Guernsey-based investment companies, including Gottex Market Neutral Trust Limited, a London-listed fund of hedge funds.

Mr Robertson, as an employee of the Investment Manager, is not independent. Mr Robertson is not a member of the audit committee or the management engagement committee of the Company. Mr Robertson is also subject to re-election by Shareholders at every annual general meeting. All the other Directors (including the Proposed Directors) are considered by the Board to be independent.

Investment Manager

Ignis Investment Services Limited

Ignis Investment Services Limited is a wholly owned asset management subsidiary of Ignis Asset Management Limited. Ignis and Ignis Asset Management Limited are both subsidiaries of Phoenix Group. Ignis manages assets on behalf of a wide range of clients. Ignis currently has approximately £69 billion of assets under management, of which approximately £3.3 billion are commercial property assets.

Phoenix Group

Phoenix Group was incorporated in the Cayman Islands on 2 January 2008 as a limited liability company. Phoenix Group is listed on NYSE Euronext in Amsterdam and its ordinary shares have a Premium listing on the Official List and are traded on the main market of the London Stock Exchange

Phoenix Group is a closed life fund consolidator that specialises in the management and acquisition of closed life and pension funds and operates primarily in the United Kingdom.

Key personnel

The property team of the Investment Manager comprises twelve investment professionals. The key property personnel who are responsible for managing the UKCPT Property Portfolio and will, following implementation of the Proposals, be responsible for managing the Combined Portfolio, are:

Gary Hutcheson, BSc, Dip Prop Inv. MRICS, is an investment director at Ignis Investment Services and has overall responsibility for the management of UKCPT. He graduated from the University of Paisley in 1983 with a degree in Land Economics and qualified as a Chartered Surveyor in 1984. He obtained considerable experience in retail property development and investment with Norwich Union and Bredero Properties plc. He joined Ignis in October 1991 and gained his post graduate Diploma in Property Investment from Reading University in 1996.

Robert Boag, BSc, Dip IPF, MRICS, is an investment manager at Ignis Investment Services Limited and is the lead manager of UKCPT's Property Portfolio. He graduated from the University of Paisley in 1986 with a degree in Land Economics. In 1987 he became a member of the Royal Institution of Chartered Surveyors. He has several years' experience operating as a property asset/investment manager throughout the UK with Scottish Metropolitan and Haslemere Estates. He joined Ignis Investment Services Limited in January 2006.

David Rodger, BSc, MRICS. He graduated from the University of Paisley in 1996 with a BS degree in Land Economics and subsequently became a member of the Royal Institution of Chartered Surveyors in 1998. David worked initially in Glasgow for DTZ as a graduate surveyor before joining Jones Lang LaSalle where he focused on shopping centre management for a range of institutional and property company clients. David joined Ignis Investment Services Limited in April 2010.

Sheila Campbell, MA (Hons), MSc Dip IPF, MRICS. She graduated from the University of Glasgow in 1996 with a Master of Arts (Hons) degree and also obtained an MSc in Urban Property Appraisal in 1997 from the University of Paisley. She worked within the retail & development agency at Jones Lang LaSalle Limited from 1997. In 2000 she joined DTZ Debenham Tie Leung as a surveyor within the professional department and then the retail agency. She joined Ignis Investment Services Limited in 2007. She is a member of the Royal Institution of Chartered Surveyors.

Rhona McCranor, BSc (Hons), MRICS. She graduated from the University of Glasgow in 1994 with a BSc (Hons), followed by a Post Graduate Diploma at Strathclyde Business School in Urban Development in 1995. She obtained a Diploma in Urban Property Appraisal from the University of Paisley in 1998 and began work within Richard Ellis's Financial Services and Professional departments and became a member of the Royal Institution of Chartered Surveyors in 2000. Rhona thereafter joined Donaldsons in 2002 and then Lambert Smith Hampton in 2004 where she was an Associate Director. She joined Ignis Investment Services Limited in 2008.

Current investment management arrangements

The UKCPT Group has entered into an Investment Management Agreement with the Investment Manager under which the Investment Manager has been appointed with responsibility for the management of the UKCPT Group's assets, subject to the overall supervision of the Directors, and to provide certain administrative services to the UKCPT Group. The Investment Manager manages the UKCPT Group's investments in accordance with the policies laid down by the Directors and in accordance with the investment restrictions referred to in the Investment Management Agreement.

Under the current Investment Management Agreement, the Investment Manager receives from the UKCPT Group an aggregate annual fee, payable quarterly in arrears, at the rate of 0.75 per cent. per annum of the Company's net assets plus an amount calculated at the rate of 0.50 per cent. of assets represented by debt. The Investment Manager is also entitled to an administrative fee of £107,670 per annum currently (which will increase annually in line with inflation). The fees of any managing agents appointed by the Investment Manager are payable out of this fee. The Investment Manager is entitled to retain any commissions received by it in respect of insurance put in place on behalf of the UKCPT Group. The Investment Management Agreement is terminable by any of the parties to it on 12 months' notice. Further details of the Investment Management Agreement are set out in paragraph 8.1.1 of Part 9 of this document.

Revised management arrangements

Ignis will continue as investment manager of the Enlarged UKCPT with revised investment management arrangements. Subject to and with effect from Admission, Ignis has agreed to reduce its basic management fee from 0.75 per cent. per annum of the Company's net assets and 0.50 per cent. of assets represented by debt to the following bases:

(i) 0.60 per cent. per annum on the Total Assets less Borrowings of the Enlarged UKCPT; plus

(ii) 0.50 per cent. per annum on the Borrowings of the Enlarged UKCPT; less

(iii) a reduction in the basic fee on Total Assets to 0.25 per cent. per annum on any cash held by the Enlarged UKCPT in excess of 5 per cent. of its Total Assets.

No performance fee will be payable to Ignis by the Enlarged UKCPT. Ignis will rebate to the Enlarged UKCPT any insurance commissions it receives in respect of the Combined Portfolio.

On 9 June 2010, the FCPT Group gave F&C notice of termination of the existing investment management agreements with F&C which have a six month notice period. F&C's appointment as investment manager of the FCPT Group will be terminated on the Effective Date and Ignis will be appointed as investment manager of the FCPT Property Portfolio on the Effective Date. Ignis has agreed to meet any compensation due to F&C in respect of the balance outstanding of the six month notice period as at the Effective Date. The Enlarged UKCPT's investment management agreements with Ignis will remain subject to termination by either Ignis or the Enlarged UKCPT at any time on not less than 12 months' written notice.

Ignis has a strong investment management team and has committed to add further asset management, research and administrative support for the management of the Enlarged UKCPT.

The Board understands that Ignis has arrangements in place between it and certain Phoenix Group Companies and Friends Provident, as significant shareholders in the Enlarged UKCPT, for a partial rebate of fees to those shareholders. The Company is not party to any such arrangements.

Moody's has confirmed that it will not reduce or withdraw the current ratings of the Bonds as a result of the proposed change of investment manager.

Conflicts of interest

The Investment Manager and its officers and employees may be involved in other financial, investment or professional activities, that may on occasion give rise to conflicts of interest with the UKCPT Group. In particular, the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the UKCPT Group. The Investment Manager will have regard to its obligations under the Investment Management Agreement and the FCPT Secured Group IMA or otherwise to act in the best interests of the UKCPT Group, so far as is practicable having regard to its obligations to other clients or funds, should potential conflicts of interest arise.

The Investment Manager has in place an allocation policy to ensure that it is able to resolve fairly any potential conflicts between the various property funds that it manages. This policy will generally allocate an investment opportunity to the fund whose investment criteria most closely match the investment opportunity.

The UKCPT Group may acquire properties from or sell properties to other Phoenix Group Companies or persons or funds managed by Phoenix Group Companies subject to the requirements of the Listing Rules in relation to related party transactions which, in certain cases, will require Shareholders' approval to such transactions. In any event, the UKCPT Group will not carry out any such transaction unless it has been approved by the Board.

Property manager

Jones Lang LaSalle Limited acts as managing agents of the UKCPT Property Portfolio. Conditional on the Proposals becoming effective, the Investment Manager will appoint Jones Lang LaSalle Limited as managing agents of the FCPT Property Portfolio. In addition to the investment management services to be provided by the Investment Manager and subject to the supervision of the Investment Manager, Jones Lang LaSalle Limited is responsible for providing property management services in respect of the UKCPT Property Portfolio as delegated to it by the Investment Manager and, following the Proposals becoming effective, will be responsible for providing such services in respect of the FCPT Property Portfolio. The fees payable to Jones Lang LaSalle Limited are currently payable by the Investment Manager out of the fee paid to it under the Investment Management Agreement and will continue to be payable by the Investment Manager out of the fees to be paid to it following the implementation of the Scheme.

Administration and secretarial arrangements

Northern Trust International Fund Administration Services (Guernsey) Limited has been appointed and will continue to act as administrator, registrar and secretary pursuant to the Administration and Secretarial Agreement. In such capacity, the Administrator is responsible for general secretarial functions required by the Law and for ensuring that the Company complies with its continuing obligations as a company listed on the Official List. The Administrator is also responsible for the Company's general administrative functions as set out in the Administration and Secretarial Agreement.

The Administrator receives a fee of £55,000 per annum, payable quarterly in arrears. The Administration and Secretarial Agreement can be terminated by either party on 90 days' prior notice.

The Company utilises, and the Enlarged UKCPT will continue to utilise, the services of Computershare Investor Services (Jersey) Limited as its agent in relation to the transfer and settlement of UKCPT Shares held in uncertificated form and as UK transfer agent.

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

Annual expenses

The principal annual expenses that the Company has incurred and the Enlarged UKCPT will continue to incur, will be the fees payable to the Investment Manager, the Administrator, property valuers and the Directors. The Enlarged UKCPT will also incur regulatory fees, insurance costs, professional fees, audit fees and other expenses. Assuming that no elections for the Cash Option are made by FCPT Shareholders under the Scheme, it is estimated that the Total Expense Ratio of the Enlarged UKCPT Group for the period from Admission to 31 December 2010 (excluding the Issue Costs, capital expenditure, refurbishment and irrecoverable property running costs, but including irrecoverable VAT) will reduce from approximately 0.9 per cent. to approximately 0.7 per cent. per annum.

Accounting policies

The audited accounts of the Company and FCPT are, and the audited accounts of the Enlarged UKCPT will be, prepared under International Financial Reporting Standards ("IFRS"). Financial statements prepared by the Enlarged UKCPT in accordance with IFRS will include an income statement, which is not required to differentiate between revenue and capital items and which also includes realised and unrealised investment gains/losses. The Enlarged UKCPT's management and administration fees, finance costs and all other expenses will be charged through the income statement.

Shareholder information

The Enlarged UKCPT's annual report and accounts (which will consolidate the accounts of the Enlarged UKCPT's Group) will be prepared up to 31 December each year and it is expected that copies will be sent to Shareholders by the following April. Shareholders will also receive an unaudited half yearly report covering the six months to 30 June each year, expected to be despatched in the following August.

Properties are valued by an external valuer quarterly in accordance with The Red Book. The net asset value attributable to the UKCPT Shares is published quarterly based on the properties' most recent valuation and in accordance with IFRS. The net asset value will be calculated by the Investment Manager and published through a Regulatory Information Service as soon as practicable after the end of the relevant quarter. The calculation of the net asset value per UKCPT Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

Corporate governance

Guernsey does not have its own corporate governance code and, as a Guernsey incorporated company, the Company is not and nor will the Enlarged UKCPT be required to comply with the Combined Code on Corporate Governance issued by the Financial Reporting Council in June 2008 (the "Combined Code"). However, it is the Company's current policy and it will continue to be the Enlarged UKCPT's policy to comply with best practice on good corporate governance that is applicable to investment companies.

The Board has considered the principles and recommendations of the AIC's Code of Corporate Governance by reference to the AIC Corporate Governance Guide for Investment Companies. The Company complies, and the Enlarged UKCPT will continue to comply, with the recommendations of the AIC Code and the relevant parts of the Combined Code in all material respects except as disclosed below.

In June 2010, the Financial Reporting Council issued a new UK Corporate Governance Code (the "New Combined Code") which applies to accounting periods beginning on or after 29 June 2010. As a result of the new Listing Regime introduced in April 2010, the New Combined Code applies to all companies with a Premium listing of equity shares regardless of whether they are incorporated in the UK or elsewhere. Accordingly, the Company will, in respect of its accounting period beginning on 1 January 2011 be required to comply with the New Combined Code or explain its reasons for not doing so.

Independence

As explained in the section entitled 'Directors and Proposed Directors' of this Part 2, the Board will consist of seven non-executive Directors following implementation of the Scheme. If the Scheme becomes effective, John Stephen will be the Chairman and Christopher Hill will become Deputy Chairman. Mr John Robertson is currently Chief Risk Officer at the Investment Manager. He is also a director of Ignis International Funds plc, Ignis Alternative Funds plc and Ignis Liquidity Fund plc. Mr Robertson is not therefore regarded as an independent Director and is subject to annual re-election by Shareholders. All other Directors and the Proposed Directors are considered by the Board to be independent of the Investment Manager. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. New Directors will receive an induction from the Investment Manager and Secretary on joining the Board, and all Directors receive other relevant training as necessary.

Senior Independent Director

The Board has not appointed a Senior Independent Director.

Appointment and re-election

Directors are selected and appointed by the Board as a whole functioning as a nomination committee. There is no separate nomination committee as the Board is considered small relative to listed trading companies for the purposes of the AIC Code. The Directors are therefore responsible for reviewing the size, structure and skills of the Board and considering whether any changes are required or new appointments are necessary to meet the requirements of the Company's business or to maintain a balanced Board.

The Articles require that Directors submit themselves for re-election at least every three years. In addition, the Board has agreed that any Director with more than nine years' service will be required to stand for re-election at each annual general meeting. Further details are given at paragraph 4.11 of Part 9 of this document.

Board and Directors' performance appraisal

During the Company's last financial year, the performance of the Board committees and individual Directors was evaluated through an assessment process, led by the Chairman. The performance of the Chairman was evaluated by the other Directors.

The Board believes that, following formal performance evaluations, the performance of each of the Directors seeking re-election continues to be effective and demonstrates commitment to the role.

The Audit Committee and Management Engagement Committee

The Board is supported by the Audit Committee and the Management Engagement Committee. The Audit Committee and the Management Engagement Committee have written terms of reference, which are reviewed at least annually and clearly define their responsibilities and duties.

The Audit Committee comprises the full Board other than Mr Robertson. Its duties in discharging its responsibilities will include reviewing the annual and half yearly accounts, the system of internal controls, and the terms of appointment and remuneration of the auditor. It is also the forum through which the auditor reports to the Board. The committee is expected to meet at least once a year. The objectivity of the auditor will be reviewed by the Audit Committee, which will also review the terms under which the external auditor is appointed to perform non-audit services. The Audit Committee will review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to non-audit fees. Such fees amounted to £92,844 for the year ended 31 December 2009 and related principally to advice given regarding the 2009 Issue, £73,050 of which was charged against reserves. The remaining £19,794 related to taxation services (for the year ended 31 December 2008 such fees were £29,231).

The Management Engagement Committee comprises the full Board other than Mr Robertson. The Management Engagement Committee will review the appropriateness of the Investment Managers' continuing appointment, together with the terms and conditions thereof on a regular basis.

The Company does not have a separate remuneration committee as the Board as a whole fulfils the function of a remuneration committee.

In the event of a material breach of the investment policy or any investment restrictions applicable to the Company or the UKCPT Group, the Company will procure that the details of that breach are communicated promptly to Shareholders by an announcement through a Regulatory Information Service.

Relationship with Phoenix Group Companies and Friends Provident

As at the date of this document, Friends Provident owns and is entitled to exercise votes attached to, in aggregate, 33.55 per cent. of the issued FCPT Shares and 1.32 per cent. of the issued UKCPT Shares with voting rights. Friends Provident has undertaken not to elect for the Cash Option under the Scheme. Phoenix also owns 16.15 per cent. of the issued FCPT Shares and has undertaken not to elect for the Cash Option under the Scheme.

As at the date of this document, Phoenix and PALAL (both Phoenix Group Companies) own 66.21 per cent. of the issued UKCPT Shares with voting rights. Phoenix has also entered into a subscription agreement with the Company dated 8 June 2010 pursuant to which it will subscribe for up to £130 million in New UKPCT Shares to fund partially elections for the Cash Option under the Scheme, with a minimum commitment of £88 million, if required, in UKCPT Shares.

In addition to the above shareholding relationship between the Phoenix Group Companies and the Company, Ignis, the investment manager of the Company, is a Phoenix Group Company.

As Phoenix and PALAL (both Phoenix Group Companies) hold a controlling interest in the Company, and to ensure that such control is not abused, they have entered into a relationship agreement with the Company which provides that Phoenix, PALAL and their Associates will not take any action which would be detrimental to the general body of shareholders or that would prevent the Enlarged UKCPT's board of directors or the Enlarged UKCPT's investment manager acting independently of the Phoenix Group Companies.

Phoenix and PALAL, who will be the largest shareholders in the Enlarged UKCPT, recognise that any potential future growth of the Enlarged UKCPT may result in a dilution of their percentage shareholding. The Phoenix Group's investment, through its subsidiaries, in the Enlarged UKCPT will remain a core part of the property exposure for its various life company subsidiaries.

The Board of the Enlarged UKCPT will comprise six independent Directors and one non-independent Director. The Board has overall responsibility for the Company's activities and will supervise the relationship between the Company and the Phoenix Group Companies as the UKCPT's largest Shareholders.

The Directors are of the opinion that the Company and the Enlarged UKCPT will at all times be capable of carrying on its business independently of the Phoenix Group Companies, and the Investment Manager and that all transactions and relationships between the Company, the Phoenix Group Companies, Friends Provident and the Investment Manager are, and will be, at an arm's length and on a normal commercial basis.

Taxation

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

(i) The UKCPT Group

In response to the review carried out by the European Union Code of Conduct Group, the States of Guernsey abolished exempt tax status for the majority of companies and introduced a zero rate of tax for companies carrying on all but a few specified types of regulated business from January 2008. However, as collective investment schemes were not one of the regimes in Guernsey that were classified by the EU Code of Conduct Group as being harmful, collective investment schemes continued to be able to apply for exempt status for Guernsey tax purposes after 31 December 2007. The Company, the Property Subsidiary, the FCPT Property Subsidiary, SCP Estate and the GP will apply on an annual basis for tax exempt status in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (the "Ordinance"). A fee (currently £600 per annum) is payable in respect of each company's exempt status.

If exempt status is granted, the Company, the Property Subsidiary, the FCPT Property Subsidiary, SCP Estate and the GP will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company, the Property Subsidiary, the FCPT Property Subsidiary, SCP Estate and the GP are not expected to incur any additional liability to Guernsey income tax. Payments of dividends and interest by a company that has exempt status for Guernsey tax purposes are regarded as having their source outside Guernsey and hence are payable without deduction of tax in Guernsey.

As a result of some EU Member States indicating that the tax systems in Guernsey, Jersey and the Isle of Man are not compliant with the spirit of the EU Code of Conduct for Business Taxation (the "**Code**"), Guernsey will be reviewing its tax system. It is unlikely that any changes will be brought into effect until 2012 at the earliest and at this stage, while the key features of the revised regime have yet to be determined, it is not anticipated that the Company, the Property Subsidiary, the FCPT Property Subsidiary, SCP Estate or the GP will be affected by the review.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties, save for an *ad valorem* fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares in the Company.

No capital gains tax or similar tax is levied in Guernsey on realised and unrealised gains resulting from the UKCPT Group's investment activities.

It is the intention of the Directors to conduct the affairs of the UKCPT Group so that the management and control of the Company, the Property Subsidiary, the FCPT Property Subsidiary, SCP Estate and the GP is not exercised in the United Kingdom so that they are not resident in the United Kingdom for taxation purposes and so that they do not carry on any trade in the United Kingdom (whether or not through a permanent establishment situated there). Accordingly, the Company, the Property Subsidiary, the FCPT Property Subsidiary, SCP Estate and the GP will not be liable for United Kingdom taxation on their income or gains other than certain income deriving from a United Kingdom source.

The Property Subsidiary, the FCPT Property Subsidiary, SCP Estate and any other subsidiaries incorporated by the UKCPT Group which hold UK property will be subject to United Kingdom income tax on income arising on the Combined Portfolio after deduction of allowable debt financing costs and allowable expenses. The Property Subsidiary, the FCPT Property Subsidiary and SCP Estate have received approval from HMRC to receive rental income gross.

(ii) Investors

(a) Taxation of dividends on Ordinary Shares

Shareholders will receive dividends without deduction of Guernsey income tax. UK resident individual Shareholders will be liable to income tax on the dividends received.

UK resident individual Shareholders who own less than 10 per cent. of the Company's issued share capital will be entitled to tax credits in respect of dividends paid by the Company. The tax credits will be 10 per cent. of the aggregate of the dividend and the tax credit itself (equivalent to one-ninth of the cash dividend). UK resident individual Shareholders, including those who hold their Ordinary Shares through an ISA, who are not liable to income tax in respect of their dividends, will not be entitled to reclaim any part of the tax credit. The income tax charge in respect of dividends for lower and basic rate tax payers will be at the rate of 10 per cent. and such Shareholders will have no further liability to tax on their dividends. A higher rate tax payer will be liable to income tax on the sum of the dividend plus the tax credit (to the extent that, taking that sum at the top slice of his/her income, it falls above the threshold for the higher rate of income tax) at the rate of 32.5 per cent., against which he/she can offset the 10 per cent. tax credit.

No UK tax credit will be attached to dividends received by any other Shareholders.

A new additional rate of income tax of 50 per cent. applies with effect from 6 April 2010 to UK resident individuals with taxable income in excess of £150,000 per annum. Accordingly, an additional rate tax payer will be liable to income tax on the sum of the dividend plus the tax credit (to the extent that, taking that sum at the top slice of his/her income, it falls above the threshold for the additional rate of income tax) at the rate of 42.5 per cent., against which he/she can offset the 10 per cent. tax credit.

Dividends paid by the Company to UK resident corporate Shareholders will be exempt from UK corporation tax, provided the corporate Shareholder meets certain conditions.

Any Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will incur Guernsey income tax on any dividends paid on Ordinary Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status. The Company is required to provide details of distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Director of Income Tax in Guernsey.

(b) Taxation of capital gains

The Company, as a closed-ended investment company, should not, as at the date of this Prospectus, be treated as an "offshore fund" for the purposes of United Kingdom taxation. Accordingly, the provisions of sections 757 to 764 of the Income and Corporation Taxes Act 1988 (the "Taxes Act") and the Offshore Funds (Tax) Regulations 2009 should not apply. Any gains on disposals by UK resident or ordinarily resident holders of the Ordinary Shares may, depending on their individual circumstances, give rise to a liability to United Kingdom taxation on capital gains.

Shareholders will not be subject to Guernsey tax on the redemption or disposal of their holding of Ordinary Shares in the Company.

(c) Individual Savings Accounts

Ordinary Shares will be eligible to be held in the stocks and shares component of an ISA, subject to applicable subscription limits and provided the ISA manager has acquired the shares by purchase in the market or by application for shares publicly offered for sale. Gains on, and dividends received in respect of, shares held within an ISA are exempt from capital gains tax and income tax.

It is the intention of the Directors that the Company will operate so as to ensure that the UKCPT Shares continue to qualify for inclusion within an ISA.

(d) Stamp duty and stamp duty reserve tax

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

(e) Other United Kingdom tax considerations

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 under which the income accruing to the Company may be attributed to such a shareholder and may (in certain circumstances) be liable to UK income tax in the hands of the shareholder. However, the provisions do not apply if such a shareholder can satisfy HMRC that, either:

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

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

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

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

(f) EU Savings Tax Directive

Guernsey has introduced measures that are equivalent to the EU Savings Tax Directive (2003/48/EC). However, paying agents located in Guernsey are not currently required to operate the measures on distributions made to shareholders by closed-ended investment companies established in Guernsey. No retentions or exchanges of information under the EU Savings Tax Directive are expected to apply to holdings of UKCPT Shares.

Part 3

Details of the Issue

Background and reasons for the Issue

On 9 June 2010, the Board announced that the Company had reached agreement with FCPT on the terms of a recommended acquisition of the business and assets of the FCPT (including the FCPT Subsidiaries which hold the FCPT Property Portfolio) by the Company. The acquisition is to be effected through a voluntary solvent liquidation of FCPT, the issue of New UKCPT Shares by the Company and the provision of a cash alternative. Subject to the conditions of the Scheme being satisfied, the Proposals are expected to become effective on 9 August 2010. Under the Scheme, FCPT Shareholders will receive New UKCPT Shares or will be able to elect to receive 91p per share in cash for their FCPT Shares. The Company has an identical investment objective to FCPT.

The New UKCPT Shares are only available to FCPT Shareholders under the Scheme and to Phoenix pursuant to the Phoenix Subscription Agreement. The Directors believe that the profile of a typical investor in the Ordinary Shares is an institutional investor or private investor wishing exposure to an investment in UK commercial companies and who is capable of evaluating the risks and merits of an investment in the Ordinary Shares and who has sufficient resources to bear any loss which may result from an investment in the Ordinary Shares.

The Scheme

Introduction

FCPT is putting forward a scheme of reconstruction and winding up which is subject to, amongst other things, the approval of FCPT Shareholders and UKCPT Shareholders.

If the Proposals are implemented, the Company will acquire FCPT's business and assets. This acquisition will be achieved through a voluntary solvent liquidation of FCPT with options for the FCPT Shareholders to elect to:

- roll over their investment in FCPT into New UKCPT Shares;
- receive 91p in cash per FCPT Share; or
- select the Cash Option in respect of certain of their FCPT Shares and the Rollover Option in respect of the balance.

FCPT Shareholders who do not make a valid election for the Cash Option will be deemed to have elected for the Rollover Option. Upon the liquidation of FCPT, the Liquidator will implement the Scheme by distributing FCPT's business and assets to the Company in return for an issue of New UKCPT Shares to those FCPT Shareholders who have elected (or are deemed to have elected) for the Rollover Option and a payment of cash sufficient to meet elections under the Cash Option plus an amount estimated by the Liquidator to be sufficient to meet the actual and contingent liabilities of FCPT and an additional amount, not expected to exceed £250,000, which the Liquidator considers to be appropriate to provide for any unknown liabilities of FCPT. The Scheme will result in all of the subsidiaries of FCPT being transferred to the Company and FCPT then being wound up. To the extent that any assets of FCPT remain after the satisfaction of FCPT's liabilities, the balance will be paid, in due course, in cash to the Company without any further New UKCPT Shares being issued in respect of such amounts.

The Scheme is conditional, *inter alia*, on valid elections for the Cash Option not being made in respect of more than 170 million FCPT Shares (being approximately 50 per cent. of the issued FCPT Shares held by FCPT's Independent Shareholders). There will be no scaling back of elections for the Cash Option. Further details of the conditions to the Scheme are set out in the section entitled 'Conditions of the Scheme' in this Part 3.

The New UKCPT Shares will rank *pari passu* with the existing issued Ordinary Shares in respect of any dividends declared, made or paid with a record date on or after the date of issue of the New UKCPT Shares.

FAVs and property valuation

New UKCPT Shares will be issued to FCPT Shareholders who elect (or are deemed to have elected) for the Rollover Option on the basis of the respective net asset values of an FCPT Share and a UKCPT Share as noted below. The FAV of an FCPT Share and a UKCPT Share will be calculated as at 30 June 2010 on the basis of the valuation of the respective FCPT Property Portfolio and UKCPT Property Portfolio as at 31 May 2010 (save for the Chorley Property, which will be valued as at 18 June 2010).

The FAV of each share will be calculated using each company's respective accounting policies (which are substantially similar) and the properties have been valued by independent valuers. These FAVs will include an adjustment in respect of the interim dividends that have been declared with a record date, or that are to be paid, after 30 June 2010.

As noted in the section entitled 'Costs and expenses of the Scheme' below, the costs of the proposed Scheme will be borne equally by all Continuing Shareholders. The FAVs will include an adjustment in respect of any transaction costs already incurred by the respective companies prior to the calculation of the FAVs. The auditors of each of the Company and FCPT will review the calculation of the FAVs used to calculate the number of New UKCPT Shares to be issued to FCPT Shareholders who elect (or who are deemed to have elected) for the Rollover Option and will report to the Board and the FCPT Board accordingly.

Illustrative financial effects

Based on the net asset values per share as at 31 March 2010 of 92.1p for FCPT and 75.6p for the Company, adjusted for dividends declared but not yet paid as at that date, an FCPT Shareholder would receive approximately 1.22 New UKCPT Shares in respect of each FCPT Share held. As at 31 May 2010, the Market Value of the FCPT Property Portfolio and the UKCPT Property Portfolio had increased by 1.79 per cent. and 1.48 per cent. respectively, on a like for like basis, form the valuations as at 31 March 2010.

Based on the share price of a UKCPT Share of 80p as at 8 July 2010 and on the illustrative ratio given above, an FCPT Shareholder would receive New UKCPT Shares with an aggregate market price of £97.60 for every 100 FCPT Shares held, which have a current aggregate market price of £93.25 based on the closing share price of an FCPT Share of 93.25p as at 8 July 2010.

After the Effective Date, Continuing Shareholders in the Enlarged UKCPT will benefit from a substantial reduction in the running costs of the Enlarged UKCPT both as a result of the fixed costs being spread over a larger asset base and the significant reduction in the annual management fees as described in more detail in Part 2 of this document.

The Cash Option

Under the Cash Option, eligible FCPT Shareholders may elect to dispose of some or all of their FCPT Shares for 91p per share in cash.

Friends Provident and Phoenix have undertaken not to elect for the Cash Option in respect of their holdings of FCPT Shares. It is a condition of the Scheme that if elections under the Cash Option are made for more than 170 million FCPT Shares (being approximately 50 per cent. of the issued FCPT Shares held by FCPT's Independent Shareholders) then the Scheme will not proceed.

91p per FCPT Share currently represents a discount to the net asset value of an FCPT Share as at 31 March 2010 and is also less than the current middle market price of the New UKCPT Shares that an FCPT Shareholder would be entitled to receive under the Rollover Option based on the ratio set out in the section entitled 'Illustrative financial effects' above.

Funding the Cash Option

The maximum aggregate amount of cash required by the Company to fund the Cash Option would be approximately £155 million, for 170 million FCPT Shares at 91p per share. The Company will fund the Cash Option through the combination of an issue of New UKCPT Shares to Phoenix for cash and its existing cash resources. The amount of cash required will depend on elections received under the Cash Option and cannot therefore be determined in advance of the Scheme concluding.

Phoenix has agreed, conditional on the Scheme becoming effective, to subscribe for up to £130 million in New UKCPT Shares to fund partially the Cash Option. Such New UKCPT Shares will be issued at a price equivalent to the discount or premium to the UKCPT FAV as at 30 June 2010 that 91p per share is to the FCPT FAV as at 30 June 2010 as calculated for the purposes of the Scheme. Accordingly, the subscription for New UKCPT Shares by Phoenix would have neither a dilutive or accretive impact on the FAV per UKCPT Share. The Company expects to fund the balance of the cash required for the Cash Option out of its existing cash reserves, which as at 30 June 2010 in aggregate amount to approximately £85.3 million.

Under the Phoenix Subscription Agreement:

- the first £50 million of cash required by the Company to satisfy elections under the Cash Option will be funded as to 50 per cent. by the subscription for New UKCPT Shares by Phoenix (with the balance satisfied by the Company using its existing cash resources and cash reserves);
- if the amount of cash required by the Company to satisfy elections for the Cash Option is more than £50 million, Phoenix has the option as to whether it subscribes for further New UKCPT Shares to fund elections in respect of up to the next £42 million of funds required (or whether the Company should use its existing cash resources and cash reserves to do so); and

- any cash required by the Company to satisfy elections for the Cash Option in excess of £92 million will be funded by the subscription for further New Ordinary Shares by Phoenix,

provided that the aggregate amount to be subscribed by Phoenix for New UKCPT Shares would not exceed £130 million.

Accordingly, the minimum amount of cash to be used by the Company to fund the Cash Option would be £25 million, assuming at least £50 million is payable to FCPT Shareholders under the Cash Option and the maximum amount would be £67 million if Phoenix only subscribes for its minimum commitment of £88 million and the maximum amount is payable under the Cash Option. No underwriting commission will be payable by the Company to any Phoenix Group Companies in respect of this subscription commitment.

On the assumption that part of the Company's existing cash resources are used to fund the Cash Option and based on the net asset value per FCPT Share as at 31 March 2010 of 92.1p, elections for the Cash Option would result in a small enhancement to the Enlarged UKCPT's net assets before taking into account the costs of the Scheme. Any enhancement to or reduction in the net assets, if the FCPT FAV as at 30 June 2010 (as calculated for the purposes of the Scheme) is above or below 91p per share, will be for the benefit, or detriment, of all Continuing Shareholders.

Approval of issue price of shares to be subscribed for by Phoenix

The Listing Rules require that placings of equity shares must not be made by listed companies such as the Company at more than a 10 per cent. discount to the middle market price at the time the placing is agreed. However, this restriction does not apply to a placing at a discount of more than 10 per cent. where the terms of the placing at that discount have been specifically approved by the issuer's shareholders. In addition, unless authorised by its shareholders, a closed-ended investment fund such as the Company may not issue further shares of the same class as existing shares for cash at a price below the net asset value per share of those shares unless they are first offered *pro rata* to existing holders of shares of that class.

The terms of the Phoenix Subscription were agreed on 8 June 2010 and the Closing Price of a UKCPT Share on such date was 76.85p. As the issue price of the New UKCPT Shares to be subscribed for by Phoenix is to be determined by reference to the discount or premium to the UKCPT FAV as at 30 June 2010 that 91p per share is to the FCPT FAV as at 30 June 2010, the New UKCPT Shares to be issued pursuant to the Phoenix Subscription may be issued at a discount of more than 10 per cent. to the Closing Price of a UKCPT Share on 8 June 2010 and at a discount to the net asset value per share. Accordingly, Resolution 2 seeks, among other matters, Independent Shareholder approval of the issue of New UKCPT Shares to Phoenix pursuant to the Phoenix Subscription at a price which may potentially be a discount of the more than 10 per cent. to the middle market price at the time the placing was agreed and below the net asset value per Ordinary Share.

Conditions of the Scheme

To become effective, the Scheme requires, amongst other things, the following events to occur:

- valid elections for the Cash Option not being made in respect of more than 170 million FCPT Shares (being approximately 50 per cent. of the FCPT Shares held by FCPT's Independent Shareholders);
- a special resolution of the Company to be passed (requiring the approval of at least 75 per cent. of votes cast in respect of it by Shareholders at the Extraordinary General Meeting) approving changes to the Company's investment policy and an amendment to the Articles to facilitate the Proposals;
- an ordinary resolution of the Company to be passed (requiring a simple majority of the votes cast by the Company's Independent Shareholders in respect of it at the Extraordinary General Meeting) approving the Related Party Transaction (which includes the Acquisition) and the issue of New UKCPT Shares to Phoenix to fund partially elections for the Cash Option at a price which may potentially be at a discount of more than 10 per cent. to the middle market price of the Ordinary Shares at the time the placing was agreed and at a discount to the net asset value per Ordinary Share (as explained in more detail in the section entitled 'Approval of issue price of shares to be subscribed for by Phoenix' above;
- an ordinary resolution of FCPT to be passed (requiring a simple majority of the votes cast by FCPT's Independent Shareholders in respect of it at the FCPT EGM) approving the related party features of the Scheme, sanctioning the Scheme and giving certain directions to the Liquidator (when appointed);
- special resolutions of FCPT to be passed (requiring approval of at least 75 per cent. of the votes cast in respect of them by FCPT Shareholders at the FCPT EGM) approving amendments to its articles of incorporation and the reclassification of the FCPT Shares to facilitate the Scheme, the winding up of FCPT and the appointment of a Liquidator;

- FCPT, the Company and the Liquidator entering into the Transfer Agreement setting out the terms upon which FCPT (acting through the Liquidator) transfers its business and assets to the Company in return for the issue of New UKCPT Shares and the payment of cash by the Company to fund the Cash Option plus an amount estimated by the Liquidator to be sufficient to meet the actual and contingent liabilities of FCPT;
- the UKLA and the London Stock Exchange agreeing to the admission of the New UKCPT Shares to the Official List and to trading on the main market for listed securities of the London Stock Exchange respectively, subject only to allotment; and
- the FCPT Directors and the Directors not resolving to abandon the Scheme.

Subject to the requirements of the Listing Rules, any of the conditions referred to above may be waived by the Company and FCPT jointly (or, where appropriate, by the party for whose benefit the relevant condition exists), in whole or in part on or before 28 October 2010. The Scheme will only become effective if all of the conditions referred to above are satisfied or waived (as the case may be) on or before 28 October 2010.

Extraordinary general meetings of the Company and FCPT

UKCPT EGM

The Proposals are conditional on the approval of Shareholders at the Extraordinary General Meeting. The Extraordinary General Meeting has been convened for 9.00 a.m. on 9 August 2010 at which two resolutions will be proposed.

Resolution 1

Changes to investment policy and amendment to the Articles of Association

A resolution will be proposed to:

(i) amend the Company's investment policy; and

(ii) amend the Articles to acquire a continuation vote to be proposed by the Company at its annual general meeting in 2015.

This resolution will be proposed as a special resolution requiring the approval of at least 75 per cent. of the votes cast in respect of it. All Shareholders will be entitled to vote on this resolution. This resolution is subject to and conditional upon Resolution 2 being passed.

Resolution 2

Related Party Transaction, Class 1 transaction and issue of New UKCPT Shares

Elements of the Proposals (including the Acquisition) constitute a Related Party Transaction between the Company and Phoenix Group for the purposes of Chapter 11 of the Listing Rules. The Listing Rules provide that a related party transaction entered into by a listed company and a related party must be approved by its shareholders other than the related party. The Acquisition is also a Class 1 transaction for the purposes of the Listing Rules, which also gives rise to a requirement for shareholder approval to be obtained. An ordinary resolution will therefore be proposed to approve the Related Party Transaction and the Acquisition. This resolution will also seek shareholder authority for the Board to issue New UKCPT Shares pursuant to the Phoenix Subscription at a price which may potentially be at a discount of more than 10 per cent. to the middle market price of the Ordinary Shares at the time the placing was agreed and a discount to the net asset value per Ordinary Share (as described in the section entitled 'Approval of the issue price of shares to be subscribed for by Phoenix' in this Part 3). This resolution will require the approval of a simple majority of the votes cast in respect of it. The Phoenix Group Companies will not be entitled to vote on this resolution. The Proposals do not involve Friends Provident entering into a related party transaction for the purpose of Chapter 11 of the Listing Rules. Nonetheless, the Board has agreed with Friends Provident that it will abstain from voting on Resolution 2 to approve the Related Party Transaction and Friends Provident has undertaken to take all reasonable steps to ensure that its Associates will not vote on Resolution 2.

FCPT EGM

The FCPT EGM has been convened for 10.00 a.m. on 9 August 2010 at which an ordinary resolution and two special resolutions will be proposed.

The ordinary resolution will be proposed to: (i) approve the related party features of the Scheme; (ii) sanction the Scheme; and (iii) give certain directions to the Liquidator (when appointed). FCPT has received an irrevocable undertaking from Friends Provident which holds approximately 33.55 per cent. of the issued share capital of FCPT and from Phoenix, which holds approximately 16.15 per cent. of the issued share capital of FCPT, to abstain from voting on this ordinary resolution and to take all reasonable steps to ensure that their Associates will not vote on such ordinary resolution. Friends Provident and Phoenix have also irrevocably undertaken to FCPT to vote in favour of the special resolutions to be proposed in relation to the approval of the Scheme at the FCPT EGM.

Costs and expenses of the Scheme

It is estimated that the costs of the Scheme incurred by the Company and FCPT will, in aggregate, be approximately £4.6 million, which is approximately 0.30 per cent. of the net assets of the Enlarged UKCPT (on the assumption that none of FCPT's Independent Shareholders elect for the Cash Option). These costs and expenses will be borne equally by all Continuing Shareholders.

In the event that the Scheme does not become effective, it is estimated that the costs incurred by the Company and FCPT will, in aggregate, be approximately £1.9 million. The Company and FCPT have agreed to bear these costs in proportion to their respective net assets as at 31 March 2010, being 59 per cent. and 41 per cent. respectively. Accordingly, it is estimated that, if the Scheme does not become effective, costs of approximately £1.1 million would be payable by the Company. These abort costs would amount to approximately 0.12 per cent. of the net asset value of a UKCPT Share as at 31 March 2010.

Dealings and settlement

Applications have been made to the UK Listing Authority for the New UKCPT Shares to be admitted to the Official List and to the London Stock Exchange for the New UKCPT Shares to be admitted to trading on the Main Market. If the Scheme becomes effective, it is expected that the New UKCPT Shares will be issued on 9 August 2010 conditional upon admission to the Official List on 10 August 2010, and that the first day of dealings in such shares on the Main Market will be 10 August 2010. The New UKCPT Shares will be issued in registered form and may be held in either certificated or uncertificated form. The New UKCPT Shares will be credited as fully paid.

Those FCPT Shareholders who held their FCPT Shares in certificated form will receive their New UKCPT Shares under the Scheme in certificated form. It is expected that certificates in respect of such New UKCPT Shares will be despatched to the FCPT Shareholders entitled thereto in the week commencing 16 August 2010. No temporary documents of title will be despatched in respect of New UKCPT Shares issued in certificated form and, pending the despatch of definitive share certificates, transfers will be certified against the register of members of the Company.

FCPT Shareholders who hold their FCPT Shares in uncertificated form will receive their New UKCPT Shares under the Scheme in uncertificated form. Notwithstanding the foregoing, however, the Company reserves the right to issue such shares in certificated form (which, in normal circumstances, is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by the Company's registrar in connection with CREST). The Company will procure that Euroclear UK & Ireland Limited is instructed, on the date on which the Admission of the New UKCPT Shares to the Official List becomes effective, to credit the appropriate accounts in CREST with the respective entitlements to New UKCPT Shares in uncertificated form.

The ISIN (International Securities Identification Number) code of the New UKCPT Shares will be GB00B19Z2J52.

Overseas investors

No action has been taken to permit a public offering of New UKCPT Shares in any jurisdiction, other than the United Kingdom where action for that purpose would be required.

The New UKCPT Shares have not been, nor will be, registered under the US Securities Act or under the securities legislation of any state or other political sub-division of the United States and the relevant clearances have not been and will not be, obtained from the securities commission of any province or territory of Canada, Australia or Japan and they may not, subject to certain exceptions, be offered or sold directly or indirectly in, into or within the USA, Canada, Australia or Japan or to, or for the account or benefit of, a US Person (as defined in the US Securities Act) or any national, citizen or resident of the USA, Canada, Australia or Japan.

This document does not constitute, and may not be used for the purpose of, an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, the New UKCPT Shares in any jurisdiction in which such offer or solicitation is unlawful.

The availability of the Scheme to FCPT Shareholders who are not resident in the United Kingdom, the Channel Islands and the Isle of Man may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. FCPT Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

Further information on the Scheme

The number of New UKCPT Shares to be issued pursuant to the Scheme cannot be calculated until after the elections have been made, or are deemed to have been made, by FCPT Shareholders. The number of New UKCPT Shares to be allotted to those Shareholders electing, or deemed to elect, to receive them will be determined as at the Scheme Calculation Date. The issue price of the New UKCPT Shares to be issued to Phoenix will also be determined as at the Scheme Calculation Date. The Company will announce, through a Regulatory Information Service, the number of New UKCPT to be allotted for each FCPT Share in respect of which an election is made or deemed to be made for the Rollover Option, the issue price of the New UKCPT Shares to be issued to Phoenix, the number of New UKCPT Shares to be issued pursuant to the Scheme and to Phoenix and the basis upon which they will be allotted as soon as practicable (and, in any event, prior to the commencement of dealings in the New UKCPT Shares on the Main Market (which is expected to be on 10 August 2010).

The New UKCPT Shares will rank *pari passu* in all respects with the existing UKCPT Shares save in respect of the third interim dividend. This third interim dividend will be paid in August 2010 to UKCPT Shareholders on its register as at the UKCPT Dividend Record Date. Holders of New UKCPT Shares will not be entitled to this dividend.

The New UKCPT Shares are only being made available to FCPT Shareholders pursuant to the Scheme and to Phoenix pursuant to the Issue. The New UKCPT Shares are not otherwise being offered to the existing holders of UKCPT Shares or to the public.

Part 4
Details of the Combined Portfolio

SUMMARY OF THE UKCPT PROPERTY PORTFOLIO, THE FCPT PROPERTY PORTFOLIO AND THE COMBINED PORTFOLIO

The information contained in this Part 4 provides an analysis of the UKCPT Property Portfolio, the FCPT Property Portfolio and the Combined Portfolio. The information contained in this Part 4 is unaudited. Unless otherwise stated, all of the information is stated as at 31 May 2010 other than the information sourced from IPD IRIS which is as at 31 March 2010 unless otherwise stated. There has been no material change in the value of the UKCPT Property Portfolio or the FCPT Property Portfolio since 31 May 2010 (or 18 June 2010 in the case of the Chorley Property), being the dates of their valuation.

1. Summary description of the Combined Portfolio

UKCPT Property Portfolio	Sector	Region	Current net annual rent receivable	Estimated net annual rent	Income return	Market Value
BIRMINGHAM, Colmore Court, 9 Colmore Row‡	Offices	West Midlands	£1,734,294	£1,375,662	7.61%	£22,775,000
BRIGHTON, 134/138 North Street, East Sussex	Retail	South East	£635,400[1]	£636,400	6.20%	£10,250,000
BRISTOL, WCA Building, Redcliffe Street‡	Offices	South West	£42,007	£32,750	8.40%	£500,000
BRISTOL, Freshford House, Redcliffe Street‡	Offices	South West	£542,574	£428,310	9.04%	£6,000,000
BRISTOL, Plot CD05, No. 1 Temple Quay, Rivergate	Offices	South West	£1,538,500	£1,200,000	7.25%	£21,225,000
BRISTOL, Plot CD04D, No. 2 Temple Quay, Rivergate	Offices	South West	£1,577,030	£1,248,000	6.35%	£24,850,000
EDINBURGH, 81/85 George Street	Offices	Scotland	£1,373,880	£1,286,150	6.82%	£20,150,000
EXETER,16/20 High Street and 1/3 Bedford Street‡	Retail	South West	£1,280,251	£1,160,700	6.17%	£20,750,000
GLASGOW, 2/8 Buchanan Street and 122/132 Argyle Street	Retail	Scotland	£0	£585,000	0.00%	£10,225,000
HATFIELD, Ocado Distribution Unit, Hatfield Business Area	Industrial	South East	£2,528,984	£2,528,984	7.25%	£34,900,000
HEMEL HEMPSTEAD, Network House & Meadowside House, Brindley Way	Offices	South East	£1,563,268	£1,505,000	7.41%	£21,100,000
HORSHAM, Broadbridge Retail Park, West Sussex	Retail Warehouse	South East	£1,410,083	£1,456,356	6.78%	£20,800,000
LEEDS, Junction 27 Retail Park, Birstall	Retail Warehouse	Yorks and Humberside	£3,683,480	£3,508,950	6.50%	£56,630,000
LONDON SW1, 6 Arlington Street	Offices	London West End	£942,553	£848,900	5.82%	£16,200,000
LONDON SW2, 84/86 Bushey Road, Raynes Park	Offices	London Outer	£750,000	£866,000	12.50%	£6,000,000
LONDON W1, Craven House, 34/36 Fouberts Place and 25/32 Marshall Street	Offices	London West End	£750,000	£545,300	6.10%	£12,300,000
LONDON W1, 13 Great Marlborough Street	Offices	London West End	£1,084,000	£885,000	6.08%	£17,825,000
LONDON W1, 15 Great Marlborough Street	Offices	London West End	£1,896,488	£1,735,000	5.93%	£32,000,000
LONDON NW1, Hannah Close, Great Central Way, Neasden‡	Industrial	London Outer	£1,649,995	£1,580,000	7.16%	£23,050,000
LONDON W8, 176/206 Kensington High Street & 2a Phillimore Gardens	Retail	London West End	£3,026,660	£2,697,650	5.91%	£51,200,000
LONDON SW3, 140/142 King's Road,	Retail	London West End	£675,100	£630,100	4.92%	£13,725,000
LONDON SW3, 144/146 King's Road, Chelsea	Retail	London West End	£130,100	£126,200	4.77%	£2,730,000
LOUDWATER, Knaves Beech Industrial Estate, Knaves Beech Way	Industrial	South East	£315,727	£315,725	7.30%	£4,325,000
LUTTERWORTH, Argos Unit, Magna Park‡	Industrial	East Midlands	£1,926,181	£1,716,000	7.93%	£24,300,000
MANCHESTER, Pall Mall Court, King Street	Offices	North West	£1,523,894	£1,544,578	8.66%	£17,600,000

UKCPT Property Portfolio	Sector	Region	Current net annual rent receivable	Estimated net annual rent	Income return	Market Value
MANCHESTER, 52/56 Market Street	Retail	North West	£680,000	£450,000	7.25%	£9,385,000
MARLOW, 14/22 West Street	Retail	South East	£600,000	£600,000	5.02%	£11,950,000
NORTHAMPTON, Brackmills Industrial Estate‡	Industrial	East Midlands	£1,524,999	£1,494,000	6.61%	£23,070,000
RICHMOND, Kew Retail Park	Retail Warehouse	London Inner	£2,282,308	£2,282,308	5.45%	£41,900,000
ROMFORD, B&Q, Roneo Corner	Retail Warehouse	South East	£1,866,062	£1,634,000	6.61%	£28,230,000
SHREWSBURY, Charles Darwin Shopping Centre†	Shopping Centre	West Midlands	£2,753,317	£3,175,792	7.55%	£36,450,000
SHREWSBURY, Pride Hill Shopping Centre	Shopping Centre	West Midlands	£1,365,630	£1,588,650	9.75%	£14,000,000
SHREWSBURY, Riverside Mall Shopping Centre‡	Shopping Centre	West Midlands	£845,474	£939,183	8.45%	£10,000,000
SLOUGH, 1 Brunel Way	Offices	South East	£1,605,000	£943,600	13.87%	£11,575,000
SUNBURY ON THAMES, Dolphin Estate, Dolphin Road	Industrial	South East	£2,079,875	£2,728,650	8.24%	£25,240,000
SWINDON, 1/57 The Parade & 37/41 Bridge Street	Shopping Centre	South West	£3,204,123	£5,486,060	5.67%	£56,500,000
TUNBRIDGE WELLS, Great Lodge Retail Park	Retail Warehouse	South East	£3,654,621	£2,955,600	6.50%	£56,190,000
WESTON-SUPER-MARE, The Sovereign Centre	Shopping Centre	South West	£3,196,531	£3,154,660	8.81%	£36,300,000
UXBRIDGE, Charter Place, Vine Street	Offices	South East	£3,750,954	£3,181,000	12.50%	£30,000,000
UKCPT Property Portfolio Total			£61,989,346	£61,056,218	7.03%	£882,200,000
FCPT Property Portfolio						
BIRMINGHAM, Hams Hall, Plot 6A	Industrial	West Midlands	£707,172	£572,000	8.47%	£8,350,000
BIRMINGHAM, Hams Hall, Plot 8	Industrial	West Midlands	£1,500,000	£1,127,500	8.72%	£17,200,000(3)
BIRMINGHAM, Hams Hall, Plot 10A	Industrial	West Midlands	£1,130,890	£1,015,000	8.46%	£13,370,000
CAMBERLEY, Affinity Point, Glebeland Road	Industrial	South East	£458,600	£458,600	7.14%	£6,420,000
CAMBERLEY, Watchmoor Park	Offices	South East	£2,887,000	£2,237,785	16.69%	£17,300,000
CHORLEY(2), Units 6 and 8,Revolution Park, Buckshaw Avenue	Industrial	North West	£0	£1,718,000	0.00%	£16,900,000
COLCHESTER, The Cowdray Centre, Cowdray Avenue	Industrial	South East	£992,363	£1,100,500	7.42%	£13,380,000
COLCHESTER, Ex-Grainger Trust & Ozalid Works, Cowdray Avenue	Industrial	South East	£201,903	£247,553	4.43%	£4,560,000
DAVENTRY, Logistics Park, Site E4	Industrial	East Midlands	£1,650,000	£1,500,000	8.73%	£18,900,000
EDINBURGH, Nevis/Ness Houses, 11/12 Lochside Place	Offices	Scotland	£913,050	£700,000	9.22%	£9,900,000
EDINBURGH, 124/125 Princes Street	Retail	Scotland	£622,555	£1,111,250	4.74%	£13,125,000
GLASGOW, Alhambra House, Waterloo Street.	Offices	Scotland	£1,995,490	£1,985,001	7.40%	£26,950,000
LEEDS, 40/42 Albion Street	Retail	Yorks and Humberside	£91,500	£91,500	7.69%	£1,190,000
LONDON EC3, 7 Birchin Lane	Offices	London City	£564,443	£640,580	7.10%	£7,950,000
LONDON W1, 16 Conduit Street‡	Retail	London West End	£184,972	£214,972	5.03%	£3,675,000
LONDON W1, 17A Curzon Street	Offices	London West End	£712,019	£555,776	5.36%	£13,280,000
LONDON SW1, 84 Eccleston Square	Offices	London West End	£3,181,700	£2,358,280	7.67%	£41,500,000
LONDON W1, 24/27 Great Pulteney Street	Offices	London West End	£0	£1,562,550	0.00%	£10,975,000
LONDON SW1, 2/4 King Street	Offices	London West End	£584,837	£574,300	5.05%	£11,575,000
LONDON W1, 385/389 Oxford Street‡	Retail	London West End	£797,499	£884,499	5.28%	£15,100,000
LONDON SW1, Charles House, 5/11 Regent Street‡	Offices	London West End	£2,250,836	£1,247,833	6.65%	£33,825,000
LONDON W1, St. Christopher's Place†	Retail	London West End	£5,970,471	£6,252,950	4.65%	£128,500,000
LONDON SW1, Cassini House, St. James' Street	Offices	London West End	£2,540,375	£2,722,531	4.30%	£59,100,000
LONDON SW19, Wimbledon Broadway	Retail	London Inner	£3,363,954	£3,430,154	6.90%	£48,750,000
MANCHESTER, 82 King Street	Offices	North West	£1,505,166	£2,102,875	6.87%	£21,900,000
NEWBURY, Newbury Retail Park	Retail Warehouses	South East	£3,430,465	£3,395,473	5.14%	£66,800,000

FCPT Property Portfolio	Sector	Region	Current net annual rent receivable	Estimated net annual rent	Income return	Market Value
READING, Thames Valley One, Thames Valley Park	Offices	South East	£2,055,000	£1,663,200	9.30%	£22,100,000
READING, Thames Valley Two, Thames Valley Park	Offices	South East	£1,420,000	£1,248,873	10.33%	£13,750,000
ROCHDALE, Dane Street	Retail Warehouse	North West	£1,913,000	£1,913,000	5.70%	£33,575,000
SOLIHULL, Sears Retail Park	Retail Warehouses	West Midlands	£3,952,052	£2,647,500	7.14%	£55,350,000
SOUTHAMPTON, Upper Northam Road, Hedge End	Industrial	South East	£826,250	£826,250	10.63%	£7,770,000
UXBRIDGE, 3 The Square, Stockley Park	Offices	South East	£2,700,000	£2,200,000	7.40%	£36,475,000
FCPT Property Portfolio Total			£51,103,562	£50,326,285	6.39%	£799,495,000
Combined Portfolio			£113,092,908	£111,382,503	6.72%	£1,681,695,000

†Part freehold, part leasehold.
‡Leasehold.
NB. Where there is an outstanding rent review the current passing rent has been stated rather than the anticipated estimated net annual rent.

Notes:

(1) A rental concession has been grated in relation to the unit let to Blacks Leisure Group plc. There is also a rental guarantee in place between Phoenix and the Property Subsidiary in relation to this unit, however the current net annual rent receivable figure provided does not take account of additional payments to be made by Phoenix to the Property Subsidiary under this guarantee.

(2) The Chorley Property was acquired by the FCPT Secured Group on 18 June 2010 and all information relating to this property is stated as at 18 June 2010.

(3) Valuation based on a special assumption (as more clearly described in Section B of Part 5 of this document).

Details of the ten largest Properties

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

St. Christopher's Place Estate, including the property at 372/374 Oxford Street, London W1

An estate comprising a number of individual buildings located in a retail and leisure destination to the north of Oxford Street, including the property at 372/374 Oxford Street. There are in excess of 130 tenants on the estate in 157 units.

Top five Tenancies	Lease term	Lease expiry/ break option	Rent review
The Body Shop International Plc	25 Years	24 December 2014	25 December 2009
Speciality Retail Group Plc	25 Years	24 March 2015	–
Carluccio's Ltd	25 Years	7 August 2025	24 June 2010
La Tasca Restaurants Limited	27 Years	5 January 2033	6 January 2013
Giardino Group Plc	25 Years	23 June 2025	24 June 2010
Current net annual rent £5,970,471	Estimated Net Annual Rent £6,252,950		Market Value £128,500,000

Newbury Retail Park, Newbury

A modern prime retail warehouse park constructed in 1997 located to the east of the Newbury by-pass. The park comprises 14 retail units and two restaurants and totals 15,782 sq metres with the benefit of an open A1 planning consent.

Top five Tenancies	Lease term	Lease expiry/ break option	Rent review
Homebase Ltd	25 Years	25 March 2022	25 March 2012
Mothercare UK Limited	20 Years	24 March 2022	25 March 2012
DSG Retail Ltd (t/a Curry's)	15 Years	26 February 2021	27 February 2011
Next Group plc	15 Years	18 August 2018	19 August 2008
Boots the Chemist Limited	15 Years	8 October 2015	9 October 2010
Current net annual rent £3,430,465	Estimated Net Annual Rent £3,395,473		Market Value £66,800,000

Cassini House, 57-59 St. James' Street, London SW1			
A core St James's office building completed in 1999 totalling approximately 4,621 sq metres over lower ground and six upper floors. Good modern floor plates of circa 660 sq metres per floor.			
Top five Tenancies	**Lease term**	**Lease expiry/ break option**	**Rent review**
Artemis Investment Management Limited	10 Years 7 Months	24 December 2017	15 May 2012
Putnam Investments Limited	18 Years 2 Months	24 December 2017	12 October 2009
Putnam Investments Limited (sublet to Greenpark Capital)	18 Years 2 Months	24 December 2017	12 October 2009
Calyon	18 Years 2 Months	24 December 2017	4 October 2009
Putnam Investments Limited	18 Years 5 Months	24 December 2017	23 July 2009
Current net annual rent £2,540,375	Estimated Net Annual Rent £2,722,531		Market Value £59,100,000

Junction 27 Retail Park, Birstall, Leeds			
The park is located at the intersection of the M62 and M621 motorways, approximately 6.8 miles to the south west of Leeds city centre. The park comprises of an L-shaped terrace with two stand alone units, extending to approximately 11,361 sq metres together with a parking provision of 540 spaces. The park has the benefit of a wide 'bulky goods' planning consent.			
Top five Tenancies	**Lease term**	**Lease expiry/ break option**	**Rent review**
DSG Retail (t/a Currys)	25 Years	28 September 2024	29 September 2014
Barker and Stonehouse Ltd	20 Years	31 March 2025	1 April 2010
CS Lounge Suites Ltd (t/a CSL)	15 Years	10 July 2022	11 July 2012
Furniture Village Ltd	25 Years	23 June 2024	24 June 2009
Comet Group	15 Years	3 February 2013	4 February 2013
Current net annual rent £3,683,480	Estimated Net Annual Rent £3,508,950		Market Value £56,630,000

1/57 The Parade & 37/41 Bridge Street, Swindon			
A multi-let pedestrianised shopping parade with 31 separate units, a multi-storey self contained office block and a 95 room hotel. The retail units are arranged along an open mall with canopies.			
Top five Tenancies	**Lease term**	**Lease expiry/ break option**	**Rent review**
Debenhams Properties Ltd*	98 Years	20 September 2064	–
Monsoon Accessorize Ltd	10 Years	18 December 2015	19 December 2010
Dorsman Estates Co Ltd (t/a Peacocks)	63 Years	24 December 2025	–
Tesco Stores Limited	15 Years	20 September 2012	20 September 2012
Menzies Hotels	91 Years	27 September 2064	14 February 2013
Current net annual rent £3,204,123	Estimated Net Annual Rent £5,486,060		Market Value £56,500,000

* A prelet of a 45,000 sq ft department store on a 35 year term has been agreed at a commencing rent of £725,000 per annum. The start of the new lease is proposed on the completion of the development in November 2010. The Debenhams store's rental is based on a percentage of turnover and is calculated as the aggregate of a base rent of £55,000 per annum plus four per cent. of turnover of the store between £1.375m and £1.5m, two per cent. of turnover between £1.5m and £3m and three per cent. of turnover above £3m.

Great Lodge Retail Park, Tunbridge Wells			
Bulky goods retail park built in 2003. Anchored by B&Q Warehouse/Garden Centre (partially sub let to Toys R Us) with a terrace of 3 smaller retail warehouse units. Total floor space of 15,556 sq metres and approximately 500 car parking spaces.			
Tenancies	**Lease term**	**Lease expiry/ break option**	**Rent review**
B&Q plc	25 years	24 March 2028	25 March 2013
DSG Retail Ltd (t/aCurrys)	25 years	24 March 2028	25 March 2013
DSG Retail Ltd (t/a PC World)	25 years	24 March 2028	25 March 2013
DFS Furniture Company Limited	25 years	24 March 2028	25 March 2013
Current net annual rent £3,654,621	Estimated Net Annual Rent £2,955,600		Market Value £56,190,000

Sears Retail Park, Marshall Lake Road, including the Comet unit, Solihull			
This 131,000 sq ft retail warehouse park is located close to the junction of the A34 approximately two miles from the centre of Solihull. The property comprises a terrace of five retail units constructed in 1993 and a further detached unit let to Comet. The four unit terrace is let to Argos Extra, Boots, JJB Sports and anchored by Homebase. There is also a single detached Toys R Us unit and 500 car park spaces outwith the ownership. Planning: Open A1 non food.			
Top five Tenancies	**Lease term**	**Lease expiry/ break option**	**Rent review**
Homebase Limited (two leases)	25 Years	24 March 2019	25 March 2014
Comet Group plc	25 Years	23 June 2025	24 June 2010
Boots the Chemists Limited	10 Years	21 September 2014	22 September 2009
Blane Leisure Ltd (t/a JJB Sports)	20 Years 9 Months	24 March 2019	8 June 2013
Argos plc	15 Years	24 August 2018	25 August 2013
Current net annual rent £3,952,052	Estimated Net Annual Rent £2,647,500		Market Value £55,350,000

176/206 Kensington High Street and 2a Philimore Gardens, London, W14			
A retail parade comprising 13 units occupying the majority of an island site bounded by Argyll Road, Philimore Walk, Philimore Gardens and Kensington High Street together with residential upper parts held on a long lease. Total floor area 5,282 sq metres (56,857 sq ft).			
Top five Tenancies	**Lease term**	**Lease expiry/ break option**	**Rent review**
The Outdoor Group Ltd	15 Years	22 March 2016	23 March 2011
Halifax plc	10 Years	21 August 2017	22 August 2012
Trailfinders Ltd	30 Years	1 January 2016	1 January 2011
Boots the Chemist Limited	20 years	6 September 2018	7 September 2013
Ellis Brigham Limited	5 Years	28 September 2013	–
Current net annual rent £3,026,660	Estimated Net Annual Rent £2,697,650		Market Value £51,200,000

Wimbledon Broadway, London, SW19			
A town centre retail/leisure scheme completed in 2002 comprising a 12 screen multiplex cinema, a supermarket, healthclub and eight retail units.			
Top five Tenancies	**Lease term**	**Lease expiry/ break option**	**Rent review**
Odeon Cinemas Limited	25 Years	24 December 2027	25 December 2012
Morrisons Stores plc (two leases)	20 Years	26 November 2020	27 November 2010
Nuffield Health Wellbeing Limited	25 Years	6 January 2027	7 January 2012
Fast Retailing (UK) (t/a Uniqlo)	15 Years	1 May 2016	2 May 2011
Mitchells & Butler Retail Limited (t/a Edwards)	25 Years	28 October 2027	29 October 2012
Current net annual rent £3,363,954	Estimated Net Annual Rent £3,430,154		Market Value £48,750,000

Kew Retail Park, Richmond			
Open A1 Retail Warehouse Park comprising five retail warehouse units anchored by a Marks & Spencer store which is outwith ownership. Total floor area of 61,764 sq ft and 558 car spaces shared with M&S.			
Top five Tenancies	**Lease term**	**Lease expiry/ break option**	**Rent review**
Mothercare UK Limited	25 Years	30 January 2025	31 January 2010
NBC Apparel (t/a TK MAXX)	15 Years	14 March 2016	24 March 2010
Boots UK Limited	25 Years	28 September 2020	29 September 2010
GPS (Great Britain) Ltd (t/a GAP)	15 Years	24 December 2011	–
Next Group plc	15 Years	14 July 2017	15 July 2012
Current Net Annual Rent £2,282,308	Estimated Net Annual Rent £2,282,308		Market Value £41,900,000

3. Tenant concentration

The tenants that contribute in excess of 2 per cent. of the current net annual rent of the Combined Portfolio can be summarised as follows:

Lease Name	Sector	Current net annual rent	% of Current net annual rent of Combined Portfolio
Government	Offices	£4,202,069	3.7%
B&Q Plc	Retail Warehouse	£3,984,544	3.5%
Homebase Limited	Retail Warehouse	£3,324,956	2.9%
Asda Stores Limited	Industrial/Retail	£3,250,000	2.9%
Sony Computer Entertainment Europe Ltd	Offices	£2,775,488	2.4%
GB Gas Holdings Ltd	Offices	£2,700,000	2.4%
DSG Retail Ltd	Retail Warehouse	£2,589,332	2.3%
Ocado Limited	Industrial	£2,528,984	2.2%
Argos Limited	Retail Warehouse	£2,497,025	2.2%
Boots UK Limited	Retail	£2,373,456	2.1%

Source: Internal

4. Summary of tenure

As a percentage of the aggregate Market Value, the tenure of Properties can be summarised as follows:

	Freehold/heritable title	Leasehold
UKCPT Portfolio	85.21%	14.79%
FCPT Portfolio	93.42%	6.58%
Combined Portfolio	89.12%	10.88%

5. Lease length

The Properties in the UKCPT Property Portfolio have a total of 306 tenants (excluding car parking spaces, wayleaves and substations). The Properties in the FCPT Property Portfolio have a total of 263 tenants (excluding car parking spaces). The length of the occupational leases of the Properties can be summarised as follows:

Length of leases	As a percentage of current gross annual rent			
	UKCPT Property Portfolio	FCPT Property Portfolio	Combined Portfolio	IPD IRIS
0 – 5 years	33.19%	42.32%	37.32%	34.05%
5 – 10 years	31.94%	31.78%	31.87%	28.04%
10 – 15 years	15.89%	19.59%	17.57%	20.22%
15 – 20 years	12.77%	5.98%	9.69%	9.88%
20+ years	6.21%	0.33%	3.55%	7.69%

The average lease length of the Properties in the UKCPT Property Portfolio is 9 years and 8 months, in the FCPT Property Portfolio is 6 years and 7 months and in the Combined Portfolio is 8 years and 3 months (weighted by current gross annual rent as at 31 May 2010). This has been calculated on the earlier of the expiry date of the lease and the first break option. The equivalent figure for the average commercial property portfolio, as represented by IPD IRIS, is 9 years and 10 months.

6. **Lease expiries and break options**

The occurrence of the earlier of lease expiries and break options of the Combined Portfolio can be summarised as follows:

Year of expiry or break option	No. of leases	Current gross annual rent	% of current gross annual rent	Cumulative % of current gross annual rent
2010	92	£3,171,468	2.79%	2.79%
2011	65	£5,610,173	4.94%	7.74%
2012	70	£11,938,764	10.52%	18.26%
2013	36	£3,851,625	3.39%	21.65%
2014	54	£11,998,646	10.57%	32.23%
2015	40	£11,166,881	9.84%	42.07%
2016	29	£7,010,827	6.18%	48.24%
2017	57	£9,619,479	8.48%	56.72%
2018	22	£8,358,056	7.37%	64.09%
2019	16	£2,969,502	2.62%	66.70%
2020	17	£6,764,698	5.96%	72.66%
2021	5	£735,417	0.65%	73.31%
2022	11	£6,672,473	5.88%	79.19%
2023	10	£2,489,826	2.19%	81.38%
2024	9	£2,900,248	2.56%	83.94%
2025	9	£5,108,845	4.50%	88.44%
2026	1	£403,000	0.36%	88.80%
2027	5	£3,504,516	3.09%	91.89%
2028	5	£5,179,621	4.56%	96.45%
2029	0	£0	0.00%	96.45%
2030+	31	£4,028,879	3.55%	100.00%

7. **Voids**

The voids in the UKCPT Property Portfolio, the FCPT Property Portfolio and the Combined Portfolio can be summarised as follows:

	Void rate as a percentage of Estimated Net Annual Rent
UKCPT Property Portfolio	3.43%
FCPT Property Portfolio	3.27%
Combined Portfolio	3.35%

The equivalent figure for the average commercial property portfolio, as represented by IPD IRIS as at 31 March 2010, is 9.08 per cent.

8. **Covenants**

The covenant strength of the tenants of the Properties can be summarised as follows:

Covenant strength†	As a percentage of current gross annual rent			
	UKCPT Property Portfolio	FCPT Property Portfolio	Combined Portfolio	IPD IRIS
Negligible and government risk	54.51%	48.12%	51.58%	46.68%
Low risk	22.93%	24.15%	23.49%	23.06%
Low-medium risk	7.45%	6.61%	7.06%	8.27%
Medium-high risk	2.07%	4.47%	3.17%	3.66%
High risk	7.26%	4.89%	6.17%	4.89%
Maximum	5.79%	6.99%	6.34%	8.86%
Unmatched	—	4.64%	2.13%	4.39%
Ineligible	—	0.13%	0.06%	0.19%

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

IPD IRIS placed the Properties in the UKCPT Property Portfolio, the FCPT Property Portfolio and the Combined Portfolio in the 17th, 35th and 26th percentiles respectively for covenant strength of the portfolios that are in the IPD IRIS universe as at 31 March 2010.

9. Lease terms

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

10. Property condition

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

11. Regional weightings

The regional weightings of the UKCPT Property Portfolio, the FCPT Property Portfolio and the Combined Portfolio can be summarised as follows:

Region	As a percentage of market value			
	UKCPT Property Portfolio	FCPT Property Portfolio	Combined Portfolio	IPD Monthly & Quarterly Universe
City	—	0.99%	0.47%	5.28%
Mid-Town	—	—	—	2.36%
West End	16.55%	39.72%	27.56%	11.65%
Inner London	4.75%	6.10%	5.39%	1.61%
Outer London	3.29%	—	1.73%	11.81%
South East	28.86%	23.58%	26.35%	18.03%
South West	18.83%	—	9.88%	5.80%
Eastern	—	—	—	7.85%
East Midlands	5.37%	2.36%	3.94%	3.79%
West Midlands	9.43%	11.79%	10.55%	7.30%
Yorks and Humberside	6.42%	0.15%	3.44%	6.16%
North West and Merseyside	3.06%	9.05%	5.91%	7.44%
North East	—	—	—	1.93%
Scotland	3.44%	6.25%	4.78%	6.20%
Wales	—	—	—	2.34%
Northern Ireland	—	—	—	0.14%
Other	—	—	—	0.18%
Offshore	—	—	—	0.12%

12. Sectoral weightings

The sectoral weightings of the UKCPT Property Portfolio, the FCPT Property Portfolio and the Combined Portfolio can be summarised as follows:

Sector	As a percentage of market value			
	UKCPT Property Portfolio	FCPT Property Portfolio	Combined Portfolio	IPD Monthly & Quarterly Universe
Shopping Centres	17.37%	—	9.11%	12.82%
Retail Warehouses	23.10%	19.48%	21.38%	20.46%
High Street Retail	14.76%	26.31%	20.25%	16.29%
Offices	29.48%	40.85%	34.89%	29.44%
Industrial	15.29%	13.37%	14.37%	16.25%
Other	—	—	—	4.74%

13. Sub-sector weightings

The sub-sector weightings of the UKCPT Property Portfolio, the FCPT Property Portfolio and the Combined Portfolio can be summarised as follows:

Sub-sector	As a percentage of market value			
	UKCPT Property Portfolio	FCPT Property Portfolio	Combined Portfolio	IPD Monthly & Quarterly Universe
High St Retail – South East	10.19%	24.52%	17.00%	8.00%
High St Retail – Rest of UK	4.57%	1.79%	3.25%	8.28%
Shopping Centres	17.37%	—	9.11%	12.82%
Retail Warehouses	23.10%	19.48%	21.38%	20.46%
Offices – City (including Mid-Town)	—	0.99%	0.47%	5.17%
Offices – West End	8.88%	21.30%	14.78%	10.44%
Offices – South East	7.78%	11.21%	9.41%	8.49%
Offices – Rest of UK	12.82%	7.35%	10.22%	5.34%
Industrials – South East	9.92%	4.02%	7.11%	9.81%
Industrials – Rest of UK	5.37%	9.35%	7.26%	6.44%
Other	—	—	—	4.74%

Part 5

Valuation Reports

Section A – Valuation Report on the UKCPT Property Portfolio

CB Richard Ellis Limited
St Martin's Court
10 Paternoster Row
London EC4M 7HP

The Directors
UK Commercial Property Trust Limited
UK Commercial Property Holdings Limited
UK Commercial Property GP Limited
UKCPT Limited Partnership
Trafalgar Court
Les Banques
St. Peter Port
Guernsey GY1 3QL

Dickson Minto W.S.
Royal London House
22/25 Finsbury Square
London EC2A 1DX

12 July 2010

Dear Sirs

VALUATION OF PROPERTY ASSETS HELD BY UK COMMERCIAL PROPERTY HOLDINGS LIMITED, THE KENSINGTON UNIT TRUST, THE KEW UNIT TRUST, THE WESTON-SUPER-MARE UNIT TRUST, THE CHARLES DARWIN UNIT TRUST, THE RIVERSIDE UNIT TRUST, THE PRIDE HILL UNIT TRUST AND THE JUNCTION 27 UNIT TRUST

1. Introduction

In accordance with our engagement letter dated 20 May 2010 with UK Commercial Property Trust Limited (the "Company"), we have considered the properties referred to in the attached schedule (the "Schedule") in order to advise you of our opinion of the Market Value (as defined in paragraph 7.1 below) as at 31 May 2010 (the "Valuation Date") of the freehold (or heritable title) or long leasehold interests (as appropriate) in each of the properties (the "Properties"). The Schedule also includes the value of each of the Properties as at 31 December 2009. We are required to include values as at 31 December 2009 (being the date the Company's last audited accounts are made up to) by paragraph 130 of CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no 809/2004 (referred to in paragraph 3 below). We are also required to include an explanation of the differences between the valuations as at 31 December 2009 and 31 May 2010. This explanation is included in the Schedule. This report is dated 12 July 2010.

2. Inspections

We inspected the Properties within the past 12 months. The Properties were inspected on an internal basis with the exception of parts of some of the Properties identified in the Schedule where we were unable to gain access.

3. Compliance with The Valuation Standards and The Listing Rules

We confirm that the valuations have been made in accordance with the appropriate sections of both the current Practice Statements ("PS"), and United Kingdom Practice Statements ("UKPS") contained within the RICS Valuation Standards, 6th Edition (the "Red Book") as well as The Listing Rules published by the Financial Services Authority and paragraphs 128 and 130 of CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no 809/2004.

4. Status of valuer and conflicts of interest

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

As you are aware, we currently value all of the Properties on a quarterly basis on behalf of the Company.

As you are also aware, we are currently acting on behalf of Ignis Investment Services Limited in connection with agency and other professional services.

5. Purpose of the valuation report

We understand that this valuation report and Schedule (the "Valuation Report") are required for inclusion in a prospectus in connection with the recommended acquisition of the business and assets of F&C Commercial Property Trust Limited by the Company and placing of new Ordinary Shares in the Company to Phoenix Life Limited.

We also understand that this Valuation Report will be relied upon by the Company, UK Commercial Property Holdings Limited, UK Commercial Property GP Limited, UKCPT Limited Partnership and Dickson Minto W.S.

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

In accordance with UKPS 5.4, we have made certain disclosures in connection with this valuation instruction and our relationship with Ignis Investment Services Limited. These are included in item 6 below.

6. Disclosures required under the provisions of UKPS 5.4

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

Certain of the Properties forming part of the UKCPT Property Portfolio were valued as at 31 July 2006 by CB Richard Ellis Limited for the purpose of inclusion in a prospectus published by the Company on 11 September 2006 and certain of the Properties forming part of the UKCPT Property Portfolio were valued on 31 December 2006 for the purposes of inclusion in a prospectus published by the Company on 9 February 2007. Certain of the Properties forming part of the UKCPT Property Portfolio were valued as at 31 August 2009 by CB Richard Ellis Limited for the purpose of inclusion in a prospectus published by the Company on 6 October 2009. Certain of the Properties forming part of the UKCPT Property Portfolio were valued as at 31 December 2009 by CB Richard Ellis Limited for the purpose of inclusion in a prospectus published by the Company on 20 January 2010.

6.2 CBRE's relationship with client

CB Richard Ellis Limited has carried out Valuation, Agency and Professional services on behalf of Ignis Investment Services Limited for between 10 and 15 years.

6.3 Fee income from Ignis Investment Services Limited

The total fees, including the fee for this assignment, earned by CB Richard Ellis Limited (or other companies forming part of the same group of companies within the UK) from Ignis Investment Services Limited (or other companies forming part of the same group of companies) is less than 5.0 per cent. of the total UK revenues.

7. Basis of valuation and net annual rent

7.1 Market Value

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

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

7.2 Net annual rent

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

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

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

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

The Schedule also includes the estimated net annual rent ("Estimated Net Annual Rent") of each of the Properties. The Estimated Net Annual Rent is based on the current rental value of each of the Properties.

The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

7.3 Taxation and costs

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

We have made deductions to reflect the purchasers' acquisition costs.

We have been asked to assume that there are no outstanding liabilities in respect of retention sums arising out of building contracts that precede the date of valuation.

8. VAT

We have been advised by the Company that the option to tax has been exercised in respect of all the Properties.

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

9. Assumptions and sources of information

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

9.1 Title

We have not had access to the title deeds of the Properties. Save as disclosed in the certificates of title dated 11 September 2006 and 9 February 2007 in relation to certain of the properties comprising the UKCPT Property Portfolio prepared by Dickson Minto W.S. and Walker Morris, the certificate of title dated 30 March 2009 in relation to Kew Retail Park, Richmond property prepared by Maples Teesdale, the certificates of title dated 1 October 2009 in relation to certain of the properties comprising the UKCPT Property Portfolio prepared by Dickson Minto W.S., the update report in relation to certain of the properties comprising the UKCPT Property Portfolio prepared by Dickson Minto W.S. dated 1 October 2009, the update report in relation to certain of the properties comprising the UKCPT Property Portfolio prepared by Dickson Minto W.S. dated 20 January 2010, the report on title dated 12, 16 and 17 March 2010 in relation to the Junction 27, Leeds property prepared by Maples Teesdale, the report on title dated 18, 19 and 22 January 2010 in relation to the properties at Pride Hill Shopping Centre, Charles Darwin Centre and Riverside Shopping Centre, at Shrewsbury, the certificate of title dated 5 July 2010 prepared by Dickson Minto W.S. in relation to the Glasgow Property and the update report in relation to all of the Properties prepared by Dickson Minto W.S. dated 12 July 2010 (altogether the "UKCPT Reports") we have made an Assumption that the Properties have good and marketable title in each case and that the Properties are free from any onerous or hampering restrictions of conditions. We have also assumed that the Properties are free from mortgages, charges or other encumbrances. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have only reflected the information contained within the UKCPT Reports which is pertinent to our valuations as at the valuation date.

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

We have been provided with copies of building condition surveys carried out on various dates between August 2006 and July 2009, prepared by TMD Building Consultancy Limited on behalf of Ignis Investment Services Limited (the "Condition Surveys"). We have reflected the contents of the Condition Surveys in undertaking our valuations.

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used or are present in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect. For the purposes of these valuations, unless otherwise informed by the Company or its advisers, we have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

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

No tests have been carried out as to electrical, electronic, heating, plant and machinery, equipment or any other services nor have the drains been tested. However, we have been provided with copies of reports on the mechanical and electrical services dated variously between August 2006 and February 2007 prepared by ACDP (Integrated Building Services) Limited on behalf of Ignis Investment Services Limited in respect of office and shopping centre Properties. Additionally, a report was provided in respect of Kew Retail Park, Richmond by Watkins Payne Partnership in March 2009. We have reflected the contents of these reports in undertaking our valuations. We have made an Assumption that, save as disclosed in the reports, all services to the Properties are functioning satisfactorily.

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

All measurements, areas and ages quoted in our report are approximate.

It is a condition of CB Richard Ellis or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services. We have otherwise had regard to the age and apparent general condition of the Properties but comments made in the property details do not purport to express an opinion about or advise upon the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

9.3 Environmental matters

We have been provided with Environmental Assessments for each of the properties prepared by Wardell Armstrong LLP. For those properties with contamination, our valuation includes our opinion of the market's likely perception of the issues involved.

However, should it be established subsequently that contamination exists on any of the properties or on any neighbouring land, or that they have been or are being put to any contaminative use other than revealed in the Environmental Assessments, this might reduce the values reported.

Accordingly and in the absence of any information in the Environmental Assessments to the contrary, we have assumed the following:

(i) the properties are not contaminated and are not adversely affected by any existing or proposed environmental law;

(ii) any processes carried out on any of the properties which are regulated by environmental legislation are properly licensed by the appropriate authorities; and

(iii) that the properties possess current Energy Performance Certificates ("EPCs") as required under the Energy Performance of Buildings Directive.

9.4 Areas

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

Ignis Investment Services Limited has provided us with the floor areas of the remaining Properties or parts thereof. As instructed, we have relied on these areas and have made an Assumption that they have been calculated in accordance with the Code.

9.5 Statutory requirements and planning

In all instances, we have read the UKCPT Reports, which refer to planning matters.

We have made an Assumption that, save as disclosed in the UKCPT Reports, the buildings have been constructed in full compliance with valid town planning, and with all statutory and local authority requirements including building, fire and health and safety regulations, and that the Properties are not subject to any outstanding statutory notices as to their construction, use or occupation. Unless the UKCPT Reports have revealed the contrary, we have made a further Assumption that the existing uses of the

Properties are duly authorised or established and that no adverse planning conditions or restrictions apply. We have also made the Assumption that only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for each Property to comply with the provisions of the Disability Discrimination Act 1995.

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

9.6 Leasing

We have not read copies of the leases or other related documents. However, we have relied on the original tenancy summaries contained in and the changes in the existing tenancy profile disclosed by the UKCPT Reports for the purposes of our valuations.

We have not undertaken credit enquiries into the financial status of the tenants. Unless we have become aware by general knowledge, or we have been specifically advised to the contrary, we have made an Assumption that the tenants are financially in a position to meet their obligations. Unless otherwise informed by Ignis Investment Services Limited, we have also made an Assumption that there are no material arrears of rent or service charges, breaches of covenants, or current or anticipated tenant disputes.

However, our valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and a purchasers' likely perception of the financial status of the tenants.

9.7 Lettings

Except to the extent disclosed in the UKCPT Reports, we have made an Assumption that:

(i) wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits;

(ii) all rent reviews are upward only and are to be assessed by reference to full current market rents;

(iii) there are no tenants' improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

(iv) tenants will meet their obligations under their leases, and are responsible for insurance and payments of business rates; and are responsible for all repairs, whether directly or by means of a service charge;

(v) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

(vi) where more than 50 per cent. of the floor space of a property is in residential use the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the property. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest, and therefore disposal into the open market is unrestricted;

(vii) appropriate permission to assign the interest being valued herein would not be withheld by the landlord where required; and

(viii) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

9.8 Information

In undertaking our valuations, we have carried out our work based upon information supplied to us by Ignis Investment Services Limited and their advisors, including building surveyors' reports, environmental reports, the UKCPT Reports. We have also relied on information and advice supplied by Ignis Investment Services Limited in respect of outstanding costs or retentions where works have been completed or are ongoing. We have relied on information and advice supplied by Ignis Investment Services Limited in respect of costs by way of planning obligations affecting the Properties either as a result of development that has occurred or in respect of future planning obligations in the case of development which may occur in the future. Similarly, we have relied on information and advice supplied by Ignis Investment Services Limited relating to future development costs and the likely irrecoverable cost of works and repairs to defects revealed by the various Condition Surveys. In each case, we have reflected this advice in our valuations.

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

10. Valuation

We are of the opinion that the aggregate of the Market Values as at the Valuation Date, being 31 May 2010, of the freehold (or heritable title) or leasehold interests in each of the Properties described in the Schedule, subject to the Assumptions and comments in this Valuation Report, was as follows:

Freehold or Heritable Title	£715,305,000	(Seven hundred and fifteen million three hundred and five thousand pounds)
Part Freehold/Part Long Leasehold	£36,450,000	(Thirty six million four hundred and fifty thousand pounds)
Long Leasehold	£130,445,000	(One hundred and thirty million four hundred and forty five thousand pounds)
TOTAL	£882,200,000	(Eight hundred and eighty two million two hundred thousand pounds)

We have valued the Properties individually, with the exception of the three shopping centres in Shrewsbury which have been valued as one, and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

11. Consent and responsibility

CB Richard Ellis Limited hereby gives its consent to the inclusion of this Valuation Report in the Prospectus and to the references to this Valuation Report and CB Richard Ellis Limited in the Prospectus in the form and context in which they appear. CB Richard Ellis Limited authorises, and accordingly takes responsibility for, the contents of this Valuation Report for the purposes of Rule 5.5.3(2)(f) of the Prospectus Rules and confirms that the information contained in this Valuation Report is, to the best of our knowledge and having taken all reasonable care to ensure that is the case, in accordance with the facts and contains no omission likely to affect its import.

12. Confidentiality and disclosure

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

Yours faithfully

David Tudor, MRICS
Senior Director
For and on behalf of
CB Richard Ellis Limited

Schedule to the Valuation Report

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable[1]	Estimated Net Annual Rent[2]	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010[3]	Market Value as at 31 May 2010
BIRMINGHAM Colmore Court, 9 Colmore Row	The property consists of a purpose built office block constructed in the mid 1980s arranged over basement, ground and nine upper floors, with a supermarket on the ground floor. The building is of concrete frame construction with brick and tinted glass clad elevations. The property benefits from fifty-seven car parking spaces. The building was extensively internally refurbished recently and the internal specification includes suspended ceilings, recessed fluorescent lighting, raised floors, gas fired central heating and air conditioning. Floor area: 6,491 sq m (69,869 sq ft). LEASEHOLD – 999 year lease from 28 January 1983 on a peppercorn rent.	The ground floor is let to Somerfield Stores Limited on a lease expiring on 1 December 2010. The office floors are let on a variety of leases expiring between August 2014 and December 2020. Part of the third floor and the mezzanine storage areas are currently vacant. 9 car parking spaces are also vacant.	£1,734,294	£1,375,662	£20,880,000	Yield reduced	£22,775,000
BRIGHTON 134/138 North Street, East Sussex	A detached block of three large retail units plus 14 self contained residential units, constructed in 2002/3. The building is of steel framed construction with elevations clad in a mix of concrete panels, curtain walling, cavity brickwork and composite panels. Retail units 2 and 3 are arranged over ground and first floor with sales and ancillary space on both levels connected by escalators. Unit 1 is arranged over ground floor only. All three units are well configured. The residential units, known as Portland Lofts, have been constructed over the flat roof in a courtyard arrangement accessed by a lift from Portland Street. The basement contains 14 car parking spaces for these units and is served by a vehicle lift. Floor areas: 1,952.15 sq m (21,011 sq ft) FREEHOLD	Retail units let to The Outdoor Group (Trading) Limited, Sports Soccer Ltd and Dorsman Estates Co Limited for 15 years from 2002, expiring in 2017 with rent reviews in 2012. Residential apartments sold on long lease to Taylor Woodrow Holdings Limited until December 2127 at a peppercorn rent. A rental concession has been granted in relation to the unit let to Blacks Leisure Group plc. There is also a rental guarantee in place between Phoenix Life Limited and UK Commercial Property Holdings Limited in relation to this unit, however, the current net annual rent receivable figure provided does not take account of additional payments to be made by Phoenix Life Limited under the guarantee. Further details of the rental guarantee are set out in section B of Part 4 of the Prospectus.	£635,400	£636,400	£9,325,000	Yield reduced	£10,250,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
BRISTOL WCA Building, Redcliffe Street	The subject building adjoins the western end of Freshford House and consists of a small period building constructed in 1897 which is grade II listed. The office accommodation was refurbished four years ago providing air conditioning and suspended ceilings. Floor area: 222 sq m (2,385 sq ft). LEASEHOLD – 125 year lease from 2 April 1982 on a peppercorn rent.	Let on a single lease to The First Secretary of State – OFSTED expiring July 2020, with a tenant's break option in July 2015. The occupational lease is on an FRI basis.	£42,007	£32,750	£475,000	Yield reduced ERV reduced	£500,000
BRISTOL Freshford House, Redcliffe Street	The subject building comprises a purpose built office block constructed in the early 1980s arranged over ground and two upper floors. The building is of frame construction with brick faced walls under a pitched tile roof. The office accommodation was refurbished four years ago with raised floors, air conditioning and suspended ceilings. The property benefits from twenty-two car parking spaces. Floor area: 2,940 sq m (31,642 sq ft). LEASEHOLD – 125 year lease from 2 April 1982, reviewed 5 yearly to 10% of ERV. Current rent is £44,000 pa.	Let on a single lease to The First Secretary of State OFSTED expiring July 2020, with a tenant's break option in July 2015. The occupational lease is on an FRI basis.	£542,574	£428,310	£5,700,000	Yield reduced ERV reduced	£6,000,000
BRISTOL Plot CD05, No. 1 Temple Quay, Rivergate	The subject building comprises five storeys of office accommodation with 85 car spaces providing a ratio of 1:76.2 sq m (1:820 sq ft) provided at basement level. This modern building has a high specification and internal fit incorporating air conditioning, suspended ceilings, raised floors and automatic blinds to reduce solar glare in the atrium area. The building is serviced by three 13 person passenger lifts and a 1000 kg goods lift. Floor area: 6,451 sq m (69,436 sq ft). FREEHOLD	Let on a single lease to British Telecommunications Plc expiring May 2018. The occupational lease is on an FRI basis with provision for 5 yearly rent reviews.	£1,538,500	£1,200,000	£19,400,000	Yield reduced	£21,225,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
BRISTOL Plot CD04D, No. 2 Temple Quay, Rivergate	The subject property comprises a five storey modern office built in 2002. It has a high specification and internal fit incorporating air conditioning, raised floors and suspended ceilings incorporated LG3 Category 2 lighting. Floor area: 6,517 sq m (70,149 sq ft). FREEHOLD	Let on a single lease to The Secretary of State for Transport, Local Government and the Regions expiring in March 2022 and subject to 5 yearly rent reviews. The next review is in March 2012.	£1,577,030	£1,248,000	£22,950,000	Yield reduced ERV reduced	£24,850,000
EDINBURGH 81/85 George Street	The property is a multi-let mixed use building re-developed in the early 1990's behind a listed Georgian stone façade. The property provides two adjacent modern retail units arranged over ground and basement floors. There are three modern open-plan offices on first, second and third floors with a reception area at ground floor level. The property benefits from 13 car parking spaces. The office accommodation has carpeted raised floors, suspended ceilings with recessed fluorescent lighting, double glazed windows, ceiling mounted air conditioning and gas fired heating systems. Floor area: 4,342 sq m (46,736 sq ft). HERITABLE TITLE	Let on three separate leases. The offices are let entirely to Commercial Union on a lease expiring November 2016. The retail units are let to Waterstones on a lease expiring in July 2016 and to ESPC on a lease expiring in May 2015. The office floors are currently sub-let. There are also two car spaces held on licences.	£1,373,880	£1,286,150	£20,040,000	Yield reduced ERV reduced	£20,150,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
EXETER 16/20 High Street and 1/3 Bedford Street	A corner block of three retail units together with a bank constructed in the 1950's and subsequently refurbished and divided to create the current configuration. The property is adjacent to the recently developed Princesshay Shopping Centre. The retail units all front High Street. The two smaller units trade from ground floor only, with ancillary basement storage. The unit occupied by H&M Hennes additionally trades from the whole first floor with customer access by means of escalator. There is rear access for loading. The bank premises fronts Bedford Street and is arranged over basement, ground and three upper levels, the ground floor being a banking hall, with ancillary offices, storage and staff accommodation. Floor areas: 6,805.14 sq m (73,245 sq ft). LEASEHOLD – 135 years from 25 June 2005 at a peppercorn rent.	The property is let on four leases to H&M Hennes Limited, Goldsmiths Ltd, Vodafone Limited and Barclays Bank Plc, all leases expiring in June 2015.	£1,280,251	£1,160,700	£20,000,000	Yield reduced ERV reduced	£20,750,000
GLASGOW 2/8 Buchanan Street and 122/132 Argyle Street	A retail unit arranged over basement, ground and four upper floors. The property is within Glasgow's prime retail area at the corner of Buchanan Street and Argyle Street. The building is of framed construction with stone cladding and is Grade B listed. Internally the retail space is fitted out in Footlocker's corporate style with painted plaster walls vinyl flooring and flourescent lighting. The property is accessed from the corner of the unit with an additional Buchanan Street entrance. Floor areas: The total net internal area is 578.4 sq m (6,225 sq ft). HERITABLE TITLE	HSBC has taken a lease, which commenced on 28 June 2010, of the basement, ground and first floor for a term of 15 years at a rent of £585,000 per annum. This lease has a 10 month rent free period.	£0	£585,000	N/A	New Purchase	£10,225,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
HATFIELD Ocado Distribution Unit, Hatfield Business Area	The property comprises a large modern distribution warehouse, developed approximately seven years ago, of steel structural frame construction, with profiled composite steel cladding. The warehouse has been fitted with a number of mezzanine floors. The unit has 20 metre eaves height, a floor slab with a loading of 50kN/m2 and is fitted with a sprinkler system. 16 hydraulic, 10 mechanical and 4 electric loading doors service the warehouse. A two storey office block is attached to the front of the building. The ground floor contains a reception area, facilities for warehouse staff and warehouse control room. First floor office space is open plan. Large staff car parks are located to the front of the warehouse and on its southern side. Floor area: 27,726 sq m (298,440 sq ft). FREEHOLD	Let entirely to Ocado Limited expiring in September 2032. John Lewis Plc have provided a rent guarantee until the tenant can satisfy a profits test. The next rent review is due in September 2011.	£2,528,984	£2,528,984	£34,170,000	Yield reduced ERV held	£34,900,000
HEMEL HEMPSTEAD Network House & Meadowside House, Brindley Way	Two office buildings constructed in the mid/late 1980s of framed construction with concrete floors, curtain wall elevations and a low pitched roof. Basement and surface car parking is provided. Both have been extensively refurbished recently to provide a specification including suspended ceilings with recessed fluorescent lighting, air conditioning, raised floors and double glazed windows. Network House is a three storey building arranged over lower ground, ground and first floors, and Meadowside is a two storey office building arranged over ground and first floors. Floor area: 10,374 sq m (111,662 sq ft). FREEHOLD	Let on two leases to Hertfordshire County Council expiring in October and December 2020. The occupational leases are on an FRI basis and subject to rent reviews in 2010.	£1,563,268	£1,505,000	£20,400,000	Yield reduced ERV held	£21,100,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
HORSHAM Broadbridge Retail Park, West Sussex	Three retail warehouse units developed in the late 1980s of steel frame construction, brick clad with a tiled covered mansard roof and with 299 car spaces providing a ratio of 1:22.2 sq m (1:238 sq ft). All units have been fitted out to the corporate style of the occupiers, and the Homebase unit incorporates an external area used as a garden centre. Floor area: 6,564 sq m 70,654 sq ft). FREEHOLD with two of small leasehold strips – 999 year leases from 27 October 1988 at £50 each annual rent.	Let on three separate leases. One is to Homebase Limited, expiring in December 2017, and the others are to Halfords Limited and Carpetright plc, both expiring in September 2014. The occupational leases are on an FRI basis.	£1,410,083	£1,456,356	£19,550,000	Rent increased, ERV increased and yield reduced	£20,800,000
LEEDS Junction 27 Retail Park	The property comprises a purpose built retail park offering approximately 11,368 sq m (122,376 sq ft) of gross internal floor space (excluding mezzanine space), with 6 units arranged in an L-shaped terrace together with a stand alone retail unit and stand alone restaurant unit at the entrance to the scheme. The park was originally developed in 1999 with the stand alone retail warehouse unit currently occupied by SCS having been completed in 2005. The property is of traditional steel portal frame construction with blockwork and cladding to the elevations. Internally, the eaves heights in the units are approximately 6m (19.7 ft) and allow the installation of mezzanine floors, as demonstrated by their presence in the entire retail warehouse units. There are approximately 540 car parking spaces (including 64 staff parking spaces to the rear of the units) providing a ratio of 1:22.9 sq m (1:246 sq ft). Site coverage for the development is low at approximately 30%. Floor Areas: 11,368 sq m (122,376 sq ft). FREEHOLD	The property is let on 10 occupational leases with expiries ranging from July 2010 to September 2024. Tenants at the scheme include Currys, Comet, Harveys, ScS, Furniture Village, CSL, Barker & Stonehouse and TGI Fridays. In all cases the rent is reviewed 5 yearly upwards only to open market.	£3,683,480	£3,508,950	N/A	New Purchase	£56,630,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
LONDON SW1 6 Arlington Street	The property comprises six storey plus mansard level office building constructed in the 1920's to a Georgian style. It is of framed construction with brick and stucco rendered elevations at ground and lower ground floor levels. The ground floor and basement level are used as an art gallery. A staircase and passenger lift to the east of the building provides access to all floors. The upper floors each have WC facilities. The top floor mansard level comprises two residential flats. Floor area: 1,491 sq m (16,048 sq ft) excluding residential flats. FREEHOLD	Currently let on six separate leases. The four office floors are held on leases, expiring between July 2010 and May 2021. The ground and basement floor is let to Holland Park Galleries Ltd, expiring July 2025. The two residential leases expire in June 2033 and 2123 without further reviews. The lessee of the first floor has accumulated a significant level of arrears.	£942,553	£848,900	£14,500,000	Rent reduced, ERV improved and yield reduced	£16,200,000
LONDON SW2 84/86 Bushey Road, Raynes Park	The premises comprise three, two level, inter-connected office buildings of varying ages with a separate industrial building to the rear of the site. The front part of the office building dates from the 1930s and is of frame construction with load bearing masonry rendered external walls. The building was extended to the rear in 1985 incorporating office space, canteen and staff areas. A further rear extension took place in the 1990's and is of concrete framed construction and provides office accommodation around a central courtyard. On-site car parking provides approximately 250 spaces. Floor areas: 6,270 sq m (67,500 sq ft). FREEHOLD	The property is entirely let to Thales Properties Limited until 31 December 2011. There are no breaks or rent reviews remaining.	£750,000	£866,000	£6,000,000	No change	£6,000,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
LONDON W1 Craven House, 34/36 Fouberts Place and 25/32 Marshall Street	A purpose built office arranged over basement, ground and three upper floors. The building is of concrete framed construction with brick cladding and a mansard flat roof with asphalt covering. It was developed behind the retained façade in circa 1980. The original specification has been enhanced and now includes raised floors, suspended ceilings and cassette air-conditioning units. The floors are served by two lifts. The premises have been extensively fitted out by the tenant to suit the use and provide individual offices as well as recording studio and audio/video editing suites. Floor areas: 1,897 sq m (20,419 sq ft). FREEHOLD	Single let to WH Smith Retail Holding Limited until December 2015. The property is entirely under let to Molinare Holdings Limited until December 2015. The next rent review is 13 December 2010.	£750,000	£545,300	£10,350,000	Yield reduced	£12,300,000
LONDON W1 13 Great Marlborough Street	The property was built in 1992/93 and is of framed construction clad in cream metal and stone. The building provides 2,056.8 sq m (22,140 sq ft) of office accommodation over ground and seven upper floors with basement car parking and plant rooms. The office specification is similar throughout providing full access raised floors, metal tiled suspended ceilings, air conditioning, aluminium framed double glazing and generous floor to ceiling heights. Floor area: 2,067 sq m (22,252 sq ft). FREEHOLD	Single let to Sony Computer Entertainment Europe Limited on a lease expiring in September 2018. Tenant break option effective September 2013 on providing at least 9 months notice. The occupational lease is on an FRI basis.	£1,084,000	£885,000	£15,775,000	Yield reduced	£17,825,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
LONDON W1 15 Great Marlborough Street	The property comprises a purpose built office building arranged over basement, lower ground, ground and six upper floors that was completed in 1999. The property is arranged with a retail unit and health club on the lower ground and ground floors, open plan offices on the upper floors, and basement storage. The offices have been fitted out to a high specification and benefit from full air conditioning throughout, raised floors and metal tiled suspended ceilings and inset category two lighting. Floor area: 4,462 sq m (48,033 sq ft). FREEHOLD	Single let to Sony Computer Entertainment Europe Limited expiring November 2014. The gym is let to Curzons Management Associates Ltd until October 2034 (with tenant's option to break in October 2024) and the retail unit is let to Haringtons Services Ltd expiring June 2015.	£1,896,488	£1,735,000	£29,900,000	Yield reduced	£32,000,000
LONDON NW1 Hannah Close, Great Central Way, Neasden	The property is a distribution warehouse developed circa 1989. The building is of portal frame construction with a concrete floor and insulated profiled steel sheet clad elevations, the front office pod is predominantly finished with glass cladding. The specification includes approx 15m eaves, 19 dock level loading doors and two standard shutter doors with a further roller door to the front elevation and a three-storey ancillary office pod. Internally the warehouse has been fitted out on ground and three upper mezzanine levels incorporating racking, storage and automated transportation systems. The specification of the office accommodation includes suspended ceilings and double glazed aluminium framed windows. Externally, there is a loading area and car parking extending to 198 car spaces and 29 lorry spaces. Floor areas: 16,798 sq m (180,810 sq ft). LONG LEASEHOLD – £5 per annum rent expiring 28 March 3000.	Let on single lease to Marks & Spencer plc on a lease expiring 29 March 2018. The next review is due on 30 March 2011. The review is upwards only and based upon certain hypothetical assumptions.	£1,649,995	£1,580,000	£21,525,000	Yield reduced	£23,050,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
LONDON W8 176/206 Kensington High Street and 2a Phillimore Gardens	The subject property occupies the majority of an island site bounded by Argyll Road, Phillimore Walk, Philimore Gardens and Kensington High Street. The site comprises 13 retail units let on 16 leases to various tenants including Bank of Scotland plc, Boots The Chemist Limited and The Outdoor Group Ltd. Floor area: 5,282 sq m (56,857 sq ft). FREEHOLD	The retail units are let to a variety of different tenants with a range of leases expiring between April 2011 and July 2023. The upper parts are let on long leases until December 2101 at a low rent with fixed increases. The unit let to Boots UK Ltd is not currently occupied by the tenant and the lease is on the market.	£3,026,660	£2,697,650	£46,700,000	Yield reduced Income increased ERV reduced	£51,200,000
LONDON SW3 140/142 King's Road	A ground floor retail unit, with stair and supplementary lift access to basement sales/ancillary accommodation. Sales areas have been fitted to the tenant's corporate style. The upper floors have been converted to provide residential premises that have been sold off on a long lease at a fixed rent. The building is of framed construction. Floor areas: 756.41 sq m (8,142 sq ft). FREEHOLD	Single let to French Connection Retail Ltd on an FRI lease until August 2023. The residential flat on the upper floors has been sold off on a long lease, approximately 145 years remaining at £100 per annum.	£675,100	£630,100	£13,450,000	Yield reduced	£13,725,000
LONDON SW3 144/146 King's Road	A ground floor retail unit with ancillary basement storage and facilities. There is a self-contained residential flat above, sold on a long leasehold. The retail unit has been fitted out to the tenant's corporate specification. There is an inverted stepped entrance and the potential to maximise a return frontage bay window. The building is of traditional brick construction. Floor areas: 88.44 sq m (952 sq ft). FREEHOLD	The retail unit is single let to Telefonica O2 (UK) Limited on an FRI lease until September 2019. The rent review due on 16 September 2009 is currently outstanding. The residential flat on the upper floors has been sold off on a long lease, approximately 145 years remaining at £100 per annum.	£130,100	£126,200	£2,650,000	Rent reduced and yield reduced	£2,730,000
LOUDWATER Knaves Beech Industrial Estate, Knaves Beech Way	The property comprises a four bay portal-framed warehouse unit with an eaves height of 6.29 metres. One bay provides two storey offices and the tenant has carried out various improvements including adding mezzanine areas and has converted part of the property into a showroom with retail sales to the public. Floor area: 4,139 sq m (44,550 sq ft). FREEHOLD	Block C is let to Dreams plc on a lease expiring in December 2024. The rent review effective 1 January 2010 is outstanding.	£315,727	£315,725	£4,175,000	Yield reduced	£4,325,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
LUTTERWORTH Argos Unit, Magna Park	The property comprises a large distribution warehouse with four storey integral offices built in 1993. The building is of steel framed construction with profiled metal sheet clad elevations and a shallow pitch clad roof incorporating translucent roof lights. The warehouse has an eaves height of circa 14.25 m (46 ft), 42 dock levellers and eight surface level doors. The ancillary office specification comprises of suspended ceilings, raised floors and double glazed aluminium framed windows. There are two loading yards and a two storey car park providing parking for approximately 341 cars. Floor area: 35,532 sq m (382,466 sq ft). LEASEHOLD – 995 year lease from April 1993 on a peppercorn rent.	Let on a single lease to Argos Limited expiring in January 2018 with the next rent review due in December 2012.	£1,926,181	£1,716,000	£23,500,000	Yield reduced	£24,300,000
MANCHESTER Pall Mall Court, King Street	The property comprises a substantial office premises constructed on basement, ground and ten upper floors of concrete frame with glazed curtain walling and brick elevations under a variety of flat roofs. Internally the specification includes suspended ceilings, inset fluorescent and spot lights, solid carpeted floors and centrally heated radiators. There are male and female toilets on alternate floors and the property benefits from three lifts in the main block and a single lift in the Marsden Street wing. Floor area: 7,774 sq m (83,680 sq ft). FREEHOLD	The ground to 5th floor of the office tower is let to AWG Property Limited on a lease guaranteed by AWG Group Ltd expiring in March 2029 with a tenant's break option in April 2020. Retail Unit 2 is let to JY Kinsha LLP until July 2024. Floor 6 is let to Rapleys LLP on a lease expiring September 2016 with a tenant's break option in September 2011. Floors 7 to 10 are let on four separate leases to Thomas Karl Jackson and Others, all expiring in March 2025 with tenants' break options in March 2015. Retail Unit 1 and the storage space is currently vacant.	£1,523,894	£1,544,578	£16,950,000	Rent increased and yield reduced	£17,600,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
MANCHESTER 52/56 Market Street	A retail unit situated in Manchester's prime retailing location. A property is of concrete framed construction with brick cladding and a part pitched and part flat roof. It is arranged over ground and three upper floors with the upper floors currently amalgamated with those of the adjacent property (48-50 Market Street). There is lift access to the 1st and 2nd floors. The unit is not currently occupied by the tenant. Floor area: 1,131.19 sq m (12,176 sq ft). FREEHOLD	Single let to Adidas (UK) Ltd on an effective FRI lease expiring 2016 with the next review due in 2012.	£680,000	£450,000	£8,450,000	Yield reduced	£9,385,000
MARLOW 14/22 West Street	The property comprises a two storey supermarket behind a period façade providing retail accommodation on the ground floor with front and rear customer access, loading facilities and limited customer car parking. Ancillary accommodation including offices, storage and staff facilities is provided at first floor level. Floor area: 2,522 sq m (27,151 sq ft). FREEHOLD	Let on a single lease to Sainsburys Supermarkets Ltd on an FRI basis expiring December 2034 with five yearly rent review cycle. Lease provides for stepped rent as follows: Rent review at 25 December 2009 to higher of open market rental value or £600,000. This review is currently outstanding.	£600,000	£600,000	£11,350,000	Yield reduced and ERV increased	£11,950,000
NORTHAMPTON Brackmills Industrial Estate	The property is a high bay distribution warehouse with integral office block on ground and first floors built around 1996. The warehouse is of steel portal frame construction with profiled steel roof and cladding and an eaves height of approximately 15.4 m (50 ft). It has 28 dock level loading doors, a mix of fluorescent and tungsten lighting, a gas fired blower heating system and a vented ceiling. The office element benefits from suspended ceilings, Category 2 lighting, comfort cooling, radiator heating and raised floors. There is a single passenger lift, a ground floor restaurant and separate Children's Nursery. Floor area: 27,764 sq m (298,850 sq ft). LEASEHOLD - 999 year lease from 16 January 1998 on a peppercorn rent.	Let on a single lease to Asda Stores Ltd expiring November 2028 on an effective FRI basis.	£1,524,999	£1,494,000	£22,720,000	Yield reduced	£23,070,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
RICHMOND Kew Retail Park	Five retail warehouse units forming part of a park (Unit 6 being owner occupied) with Open A1 non food consent. The units were built in 1995 and comprise 5,738 sq m (61,764 sq ft) with a further 1,989 sq m (21,410 sq ft) of mezzanine sales and ancillary accommodation. The site contains 558 car parking spaces which are shared with Marks & Spencer. The property is of steel portal frame construction with a mixture of reconstituted stonework and aluminium external cladding. The roof is of insulated profile steel sheet and a glazed canopy runs along the front of the property. Internally the units have been fitted out in accordance with the tenant's corporate style. Floor area: 5,738 sq m (61,764 sq ft). FREEHOLD	The retail units are fully let to five tenants on effectively FRI leases. GPS (Great Britain) Ltd (trading as GAP) until 2016, with a review and tenant break in December 2011. Mothercare UK Limited until 2025, the next review being in 2015. Boots UK Limited and NBC Apparel Ltd (trading as TK Maxx) until 2020. NBC has a tenant break in 2016 and a review in 2015. Boots has a rent review in September 2010. Next Group Plc until 2017, with a rent review in 2012.	£2,282,308	£2,282,308	£39,250,000	Yield reduced	£41,900,000
ROMFORD B&Q, Roneo Corner	The property is a large format retail warehouse developed in 2002. The property is situated adjacent to a Tesco Extra supermarket. The unit is of steel portal frame construction with brick faced external walls under a pitched profiled metal sheet roof. There are approximately 350 car parking spaces within the demise. The sales area is at ground floor level only, with ancillary accommodation over part of the first floor. The tenant has built a 270 sq m (2,906 sq ft) garden centre adjacent to the property. Floor areas: 9,485.59 sq m (102,102 sq ft). FREEHOLD	Single let to B&Q Plc on an FRI lease expiring 2027 with the next review in 2012.	£1,866,062	£1,634,000	£27,150,000	Yield reduced	£28,230,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
SHREWSBURY Charles Darwin Centre	An enclosed shopping centre, completed in 1989 and refurbished in 2002 and arranged over three levels. Anchored by Marks & Spencer, H&M and TK Maxx, the tenant line up includes a number of national multiple fascias including Top Man/Top Shop, Dorothy Perkins, River Island, Laura Ashley and Monsoon. The scheme connects to the town centre's principal car park via a footbridge, and also to the bus station. Floor Area: 40,877 sq m, (440,000 sq ft). Part of the shopping centre, known as 11 Castle Street, which is occupied by Home Bargains, is held on a long leasehold for a period of 984 years from 14 August 2003 at a peppercorn rent. PART FREEHOLD AND PART LEASEHOLD	The property is let to a variety of different tenants on a range of leases expiring between August 2010 and January 2025. The property is predominantly let to national multiple retailers who accounted for 91 per cent. of the passing rent at the March valuation and the remainder are let to local independent retailers. M&S hold a long leasehold interest in their store at a peppercorn rent, which expires in 2988. They do not contribute to the service charge however there is no resultant shortfall to the landlord. The H&M lease contains provisions for a turnover rent to be payable at 8 per cent. of gross turnover over £2,500,000. There are 14 vacant retail units and two tenants are holding over. M&S have taken a long leasehold of their store at a peppercorn rent.	£2,753,317	£3,175,792	N/A	New Purchase	£36,450,000
SHREWSBURY Pride Hill Shopping Centre	An enclosed shopping centre, completed in 1989 and arranged over three levels. The centre connects to Riverside Mall at the rear of the scheme on the lower level via a footbridge over Raven Meadows. The upper level mall forms a cul-de-sac arranged around a glass atrium and the middle level comprises a small rectangular shaped mall arranged around a central core of escalators. The lower level comprises mostly small kiosk units and one larger unit (formerly C&A totalling 12,000 sq ft) and provides pedestrian access from Roushill Bank and also connects to Riverside Mall via a bridge link over Raven Meadows. Basement level servicing has vehicular access from Raven Meadows. Floor Area: 9,987 sq m, (107,500 sq ft). FREEHOLD	The property is let to a variety of different tenants on a range of leases expiring between June 2010 and May 2067. The property is predominantly let to national multiple retailers who accounted for 83 per cent. of the passing rent at the March valuation and the remainder are let to local independent retailers. There are 17 vacant retail units and one vacant office suite; one unit is holding over; one unit has been sold to Boots on a long leasehold, this is an area for access purposes.	£1,365,630	£1,588,650	N/A	New Purchase	£14,000,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
SHREWSBURY Riverside Mall and Riverside Medical Centre	The subject building comprises a purpose built partially enclosed mall arranged over two levels. Pedestrian access is from both Pride Hill Centre and the car park located off Raven Meadows. Riverside also includes a small vacant office suite, an occupied nightclub. Servicing is provided at surface level by three separate bays. A detached medical centre is accessed from Roushill; the centre has its own car parking facilities. Floor Area: 11,054 sq m, (118,982 sq ft). LEASEHOLD: Riverside Mall is held long leasehold from Shrewsbury and Atcham Borough Council for a term of 200 years expiring October 2193; the rent payable equates to 7 per cent. of the net passing rent. The head rent payable in 2009 was £57,967. The surgery site is held long leasehold from Shrewsbury and Atcham Borough Council for a term of 131 years expiring October 2118 with a fixed rent of £50 per annum.	The property is let to a variety of different tenants on a range of leases expiring between August 2010 and June 2118. The property is predominantly let to multiple retailers who accounted for 88 per cent. of the passing rent at the March valuation and the remainder are let to local independent retailers. There are 10 vacant units; 7 units are holding over including Wilkinson and the medical centre. One unit has been sold to the West Mercier Police Authority on a long leasehold.	£845,474	£939,183	N/A	New Purchase	£10,000,000
SLOUGH 1 Brunel Way, Berkshire	The subject property comprises a purpose built office block constructed in 1989. The building is arranged over ground and three upper floors and provides 206 car parking spaces on the basement and ground floor level. Internally the offices are arranged around a central atrium and benefit from air conditioning, suspended ceilings with recessed diffused strip lights and raised floors. Floor area: 5,815 sq m (62,595 sq ft). FREEHOLD	Let on a single lease to O2 (UK) Ltd which expires in September 2014. The occupational lease is on an FRI basis.	£1,605,000	£943,600	£11,650,000	Yield reduced	£11,575,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
SUNBURY ON THAMES Dolphin Estate, Dolphin Road	The property comprises an industrial estate with six warehouse blocks which have been divided to provide a total of eleven units. The estate also includes a seven storey office building. The industrial units are of steel frame construction with profiled metal sheet and brick cladding beneath a profiled metal sheet roof. The offices, Dolphin House, comprise a seven storey concrete frame building with brick cladding beneath a flat roof. Floor area: 29,979 sq m (322,687 sq ft). FREEHOLD but with a leaseback of 17 car parking spaces at Unit F – 25 year lease from 24 December 2001 at a rent of £1 per annum.	The property is let to a variety of different tenants on a range of leases expiring between June 2010 and September 2026. Three industrial units and four office floors are currently vacant.	£2,079,875	£2,728,650	£24,200,000	Yield reduced, rent reduced and ERV increased	£25,240,000
SWINDON 1/57 The Parade & 37/41 Bridge Street	The property comprises a shopping parade with 31 separate units, a multi-storey self contained office block and a hotel. The retail units are arranged along an open mall, adorned by central canopies. The hotel has 50 standard rooms, 43 double rooms and two suites. The rooms have painted and papered walls and ceilings. There are two 8-person passenger lifts. The office building has all services decommissioned. Part of the property is being re-developed, with a new department store and six retail units currently under construction. Floor area: 30,065 sq m (323,618 sq ft). FREEHOLD	The property is let to a variety of different tenants on a range of leases expiring between July 2010 and September 2064. One unit is occupied on a temporary basis and five units are currently vacant. The hotel is let on a lease until September 2064. The office block, two retail units and a kiosk are all currently vacant. In relation to the part of the property being redeveloped, a pre-let has been agreed with BHS for the 45,000 sq ft department store on a new 35 year lease from completion of the development at a starting rent of £725,000 per annum. Unit 1 has been pre-let to Top Shop/Top Man Properties Limited on a 15 year lease from completion at a commending rent of £295,000 per annum. Unit 5 has been pre-let to River Island on a 10 year lease at a rent of £230,000 per annum. Vacant possession was obtained on 18 January 2010.	£3,204,123	£5,486,060	£49,800,000	Yield reduced and ERV reduced	£56,500,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
TUNBRIDGE WELLS Great Lodge Retail Park	The subject property comprises a purpose built retail warehouse park constructed in 2003. The park incorporates four modern warehouse units of steel portal frame construction with brick faced external walls under a pitched profiled metal sheet roof. The property benefits from approximately 500 car parking spaces. Floor areas: 15,556 sq m (167,438 sq ft). FREEHOLD	Let on four separate occupational leases which all expire in March 2028. Two of the leases are to DSG Retail Ltd, trading as Currys and PC World respectively. The remaining units are let to DFS Furniture Company Limited and B&Q Plc.	£3,654,621	£2,955,600	£53,400,000	Yield reduced	£56,190,000
WESTON-SUPER-MARE The Sovereign Centre	The property comprises an enclosed shopping centre arranged over ground and two upper floors, incorporating an 876 space multi-storey car park. The Centre was developed in the early 1990's. The centre is of reinforced concrete frame and pre-cast stone cladding. The layout is effectively an 'L-shaped' covered mall which opens out in the middle to provide a glazed covered courtyard area containing feature clock. 37 retail units in the centre trade from ground floor level with ancillary storage at first floor together with a Mall café. There is lift access from the car park above. In addition the demise includes six retail units fronting the High Street each with ground floor retail accommodation and two ancillary upper floors. Floor areas: 12,000 sq m (129,170 sq ft). FREEHOLD	The property is let to a variety of different tenants on a range of leases expiring between June 2010 and March 2014. One rent review is outstanding. Nine leases contain the provision for additional turnover based income. The car park is directly held and managed.	£3,196,531	£3,154,660	£34,150,000	Yield reduced and ERV reduced	£36,300,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
UXBRIDGE Charter Place, Vine Street	The subject property comprises a purpose built five storey detached office block arranged around a central landscaped courtyard. There is a split level basement car park providing 398 car parking spaces and office accommodation from ground to fourth floor above. The office accommodation benefits from under floor air conditioning, suspended ceilings with recessed diffused strip lighting and raised floors. Floor area: 14,409 sq m (155,099 sq ft). FREEHOLD But with further 78 car parking spaces at The Civic Centre held on lease – 25 years from 7 March 1988 at £36,572 per annum.	The property is let to a variety of different tenants on a range of leases expiring between December 2012 and June 2015. Two small suites are currently vacant.	£3,750,954	£3,181,000	£30,000,000	Rent reduced and yield reduced	£30,000,000

(1) Current net annual rent receivable is the total income reserved by leases at the date of valuation, less head rent where applicable.
(2) Estimated net annual rent is CBRE's opinion of rental value, reflecting the terms of relevant leases or, if appropriate, reflecting the fact that certain of the Properties, or parts thereof, were vacant as at the date of valuation, less head rent where applicable.
(3) References to "yield" refer to Equivalent Yield (NEY (Ann in arr)).

Section B – Valuation Report on the FCPT Property Portfolio

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

Dickson Minto W.S.
Royal London House
22-25 Finsbury Square
London EC2A 1DX

12 July 2010

Dear Sirs

PROPERTY PORTFOLIO HELD BY F&C COMMERCIAL PROPERTY TRUST LIMITED ("FCPT")

1. Introduction

In accordance with our engagement letter dated 21 May 2010 with FCPT, we have considered the properties referred to in the attached schedule (the "Properties"), in order to advise you of our opinion of the Market Value of the freehold or long leasehold interests in each of the Properties as at 31 May 2010 (other than the freehold property at Units 6 and 8, Revolution Park, Buckshaw Avenue, Buckshaw Village, Chorley PR7 7DW which is valued as at 18 June 2010 (the "Chorley Property")).

The Properties comprise a mixture of retail, office and industrial uses. With the exception of the property at Great Pulteney Street, London W1, which is in the course of redevelopment, and the property known as Ex Grainger Trust and Ozalid Works, Colchester, which is held partly for redevelopment and partly for investment, the Properties are held as investments.

The valuation report includes a schedule which comprises brief details of each of the Properties including its value as at 31 May 2010 (other than the Chorley Property which is valued as at 18 June 2010) (the "Schedule"). The Schedule also includes the value of each of the Properties as at 31 December 2009. We are required to include values as at 31 December 2009 by paragraph 130 of CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no 809/2004 (referred to in 3 below) as they represent the valuations included in the latest published accounts. We are also required to include an explanation of the differences between the valuations as at 31 December 2009 and 31 May 2010 (with the exception of the Chorley Property which was not held by FCPT as at 31 December 2009). This explanation is included in the Schedule. The valuation report and the Schedule are collectively referred to as "the Valuation Report".

DTZ
48 Warwick Street
London, W1B 5NL, England
Tel: +44 (0)20 3296 3000
Fax: +44 (0)20 3296 3200
www.dtz.com/uk

2. **Inspections**

We undertake valuations of the Properties for accounts purposes (see 5. below). The Properties are inspected annually for the purposes of the valuations for accounts. All the Properties, with the exception of the Chorley Property, were inspected between March 2009 and May 2010. The Chorley Property was inspected in June 2010.

3. **Compliance with RICS Valuation Standards**

We confirm that the valuations have been made in accordance with the appropriate sections of the current Practice Statements ("PS"), and United Kingdom Practice Statements ("UKPS") contained within the RICS Valuation Standards, 6th Edition (the "Red Book") as well as Rule 5.6.5G of the Prospectus Rules published by the Financial Services Authority and paragraphs 128 to 130 of CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no 809/2004.

4. **Status of valuer and conflicts of interest**

We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake these valuations competently. We also confirm that where more than one valuer has contributed to the valuation, the requirements of PS1.5.4 of the Red Book have been satisfied. Finally we confirm that we have undertaken the valuations acting as External Valuers.

As you are aware, we acted for the company previously known as F&C Commercial Property Trust Limited (now called FCPT Holdings Limited) on its flotation in March 2005 and as regular quarterly valuer of the Properties since then. We previously valued 12 of the Properties on a quarterly basis on behalf of clients of F&C Property Asset Management plc (a subsidiary of F&C Asset Management plc). In addition, we have valued 8 of the Properties in the past on behalf of clients of F&C Asset Management plc. As part of these valuations we also provided strategic investment advice in respect of the relevant Properties. More recently, we acted on behalf of FCPT in connection with a share for share exchange offer to be made to the existing shareholders in the company previously known as F&C Commercial Property Trust Limited (now called FCPT Holdings Limited).

F&C Asset Management plc combined its property management business in 2008 with REIT Asset Management to become F&C REIT Property Asset Management plc. References hereafter to F&C REIT Property Asset Management plc include references to F&C Asset Management plc where appropriate.

As you are also aware, we have acted on behalf of F&C REIT Property Asset Management plc in connection with various rent reviews at Cassini House, London SW1, and on behalf of one of the tenants in connection with rent reviews in respect of the properties at Alhambra House, Glasgow and Newbury Retail Park. We recently acted as letting agents on behalf of F&C REIT Property Asset Management plc in respect of office accommodation at Charles House, Regent Street, London W1 and at 17a Curzon Street, London W1. We are also providing planning and agency advice in connection with the proposed redevelopment of 24-27 Great Pulteney Street, London W1.

5. **Purpose of the valuation**

We understand that the valuations are required for inclusion in (i) a prospectus in connection with the recommended acquisition of the business and assets of FCPT by UK Commercial Property Trust Limited ("UKCPT") and the placing of new ordinary shares in UKCPT to Phoenix Life Limited and (ii) a circular to be published by FCPT (the "FCPT Circular") in connection with the recommended proposals for the winding up and reconstruction of FCPT (the "Purpose of this Valuation Report").

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

6. **Disclosures required under the provisions of UKPS 5.4**

6.1 **Name of signatory**

The Properties were valued for the first time for the company previously known as F&C Commercial Property Trust Limited (now called FCPT Holdings Limited) by DTZ Debenham Tie Leung as at 30 March 2005. Gillian Rushmore BSc FRICS has been the signatory of Valuation Reports provided to FCPT Holdings Limited and F&C Commercial Property Holdings Limited for a continuous period since that time and has also been the signatory of Valuation Reports provided to F&C Commercial Property Trust Limited since June 2009.

6.2 **DTZ's relationship with client**

DTZ Debenham Tie Leung Limited also valued those properties comprising the property portfolios of ISIS Property Trust Limited and IRP Property Investments Limited in connection with their flotations and we currently undertake quarterly valuations of the portfolios. DTZ Debenham Tie Leung Limited provides and has provided in the past ad hoc investment and occupational agency advice, landlord and tenant and building consultancy advice to F&C REIT Property Asset Management plc and Royal and Sun Alliance Insurance Group plc. In the past, DTZ Debenham Tie Leung Limited has undertaken the management of a number of properties on behalf of Royal and Sun Alliance Insurance Group plc.

6.3 **Fee income from F&C REIT Property Asset Management plc**

DTZ Debenham Tie Leung Limited is a wholly owned subsidiary of DTZ Holdings plc (the "Group"). In the Group's financial years to 30 April 2009, the proportion of total fees payable by FCPT and its subsidiaries to the total fee income of the Group was less than 5%. It is not anticipated that this percentage will exceed 5% in the financial year to 30 April 2010.

7. Basis of valuation

Our opinion of the Market Value of each of the Properties has been primarily derived using comparable recent market transactions on arm's length terms.

7.1 **Market Value**

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

In undertaking our valuations on the basis of Market Value we have applied the conceptual framework which has been settled by the International Valuation Standards Committee and which is included in PS 3.2.

We have been instructed to undertake our valuation of the property at Plot 8, Hams Hall, Birmingham based on a special assumption. The glossary in the RICS Valuation Standards refers to a special assumption as an "Assumption that either:

– requires the valuation to be based on facts that differ materially from those that exist at the date of valuation; or
– is one that a prospective purchaser (excluding a purchaser with a special interest) could not reasonably be expected to make at the date of valuation, having regard to prevailing market circumstances" ("Special Assumption").

The Special Assumption we have been asked to make relates to the environmental matters referred to in item 9.3 of this Valuation Report.

7.2 **Taxation and costs**

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

We have made deductions to reflect purchasers' acquisition costs.

8. VAT

From our review of the certificates of title prepared for the current exercise and from previous advice provided to us by FCPT, we understand that the option to tax has been carried out in respect of all the Properties with the exception of The Cowdray Centre, Colchester; 7 Birchin Lane, London EC3; 16 Conduit Street, London W1 and 77/77a Wigmore Street, London W1.

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

9. Assumptions and sources of information

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

9.1 **Title**

We have not had access to the title deeds of any of the Properties. Save as disclosed in the certificates of title dated 7, 9 and 17 March 2005 prepared by Walker Morris, Eversheds LLP and Dickson Minto W.S., the update report in relation to certain of the properties comprising the FCPT Property Portfolio prepared by Dickson Minto W.S. and dated 1 June 2009, the certificate of title dated 25 September 2009 prepared by Dickson Minto W.S. in relation to the property at Daventry, the certificate of title dated 16 October 2009 prepared by Lovells in relation to the properties at 6A, 8 and 10A Hams Hall, Birmingham, the certificate of title dated 28 June 2010 prepared by Dickson Minto W.S. in relation to various properties at St. Christopher's Place London, the certificate of title dated 18 June 2010 prepared by Hogan Lovells in relation to the Chorley

Property and the update report in relation to all of the Properties prepared by Dickson Minto W.S. dated 12 July 2010 (altogether the "FCPT Reports"), we have made an Assumption that FCPT or a wholly owned subsidiary of FCPT is possessed of good and marketable freehold or leasehold title in each case and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. We have also assumed that the Properties are free from mortgages, charges or other encumbrances.

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

Due regard has been paid to the apparent state of repair and condition of each of the Properties, but we have not undertaken condition surveys, nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible. However, in June and July 2010 TMD Building Consultancy Limited ("TMD") carried out condition surveys of the Properties and we have been provided with various summary notes, dated variously in early July 2010, from TMD outlining its initial observations in relation to certain of Properties following these condition surveys (the "Summary Observations") and we have given regard to the contents of the Summary Observations in undertaking our valuations. We have made an Assumption that, save as disclosed in the Summary Observations, the Properties are free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects.

We have not arranged for investigations to be made to determine whether high alumina cement concrete, calcium chloride additive or any other deleterious materials have been used in the construction or any alterations, and therefore we cannot confirm that the Properties are free from risk in this regard. For the purposes of these valuations, unless otherwise informed by F&C REIT Property Asset Management plc or its advisers, we have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

One of the Properties at Colchester is known as Ex-Grainger Trust and Ozalid Works. Part of that part of the property known as Ex-Grainger Trust was destroyed by fire and a further part of Ex-Grainger Trust was rendered unoccupiable as a result of damage associated with the fire. Works to demolish the damaged buildings were completed in 2009; some buildings remain. The buildings on that part of the property known as Ozalid Works have also been demolished. Together, the two elements comprise firstly a partially cleared site and secondly some industrial buildings. The cleared site is available to be let as open storage land until future redevelopment of the property can commence.

We were advised by F&C REIT Property Asset Management plc that asbestos was used in the original construction of that part of Ex-Grainger Trust which was destroyed by fire and that, as a result of the fire, the asbestos was rendered in an adverse condition. We have been advised by F&C REIT Property Asset Management plc that the asbestos has been removed and have made an Assumption that no further costs will be incurred in this regard.

We have not carried out an asbestos inspection and have not acted as an asbestos inspector in completing the valuation inspection of any properties that may fall within the Control of the Asbestos at Work Regulations 2002. We have not made an enquiry of the duty holder (as defined in the Control of Asbestos at Work Regulations 2002), of the existence of an Asbestos Register or of any plan for the management of asbestos to be made. Where relevant, we have made an Assumption that there is a duty holder, as defined in the Control of Asbestos at Work Regulations 2002 and that a Register of Asbestos and Effective Management Plan is in place, which does not require any immediate expenditure, or pose a significant risk to health, or breach the HSE regulations. We advise that such enquiries be undertaken by a lawyer during normal pre-contract enquiries.

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

No tests have been carried out as to electrical, electronic, heating, plant and machinery, equipment or any other services nor have the drains been tested. However, we have made an Assumption that all services, including gas, water, electricity and sewerage, are provided and are functioning satisfactorily.

No allowance has been made in these valuations for any items of plant or machinery not forming part of the service installations of the buildings. We have specifically excluded all items of plant, machinery and equipment installed wholly or primarily in connection with the occupants' businesses. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools.

Further, no account has been taken in our valuations of any business goodwill that may arise from the present occupation of any of the Properties.

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

9.3 **Environmental matters**

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

We have made enquiries of the relevant Environment Agency website for the purposes of earlier valuations in order, so far as reasonably possible, to establish the risk of the potential existence of contamination arising out of previous or present uses of the sites and any adjoining sites. We have also been provided with (i) copies of draft environmental reports dated July 2010 prepared by Wardell Armstrong LLP in respect of all the Properties with the exception of the properties at Daventry and the Chorley Property; (ii) an environmental report dated 2 July 2009 prepared by Trident in respect of the property at Daventry; (iii) an environmental report dated 6 October 2009 prepared by Watts & Partners in respect of the properties at Hams Hall; and (iv) an environmental report dated 29 January 2010 prepared by Watts Group PLC in respect of the Chorley Property.

The draft environmental reports prepared by Wardell Armstrong LLP in relation to Plot 6A, Plot 8 and Plot 10A of the Hams Hall properties include a recommendation that further investigations be carried out in relation to these plots. Further reports have been reviewed by Wardell Armstrong LLP in relation to Plots 6A and 10A and following these reviews the environmental risk assessments of these plots was determined to be low to moderate. Currently there is no further report available in respect of Plot 8 and, for the purpose of this Valuation Report we have been instructed to make a Special Assumption that, had it been available, the environmental risk assessment at this plot would also be low to moderate. We understand these further investigations will be made and should it be established that contamination does exist, the market value of this property may be affected.

We were advised by F&C REIT Property Asset Management plc that there are contamination issues in respect of a derelict warehouse on the property known as The Ozalid Works which forms part of that property now known as Ex-Grainger Trust and Ozalid Works. The warehouse has been demolished but the slab remains on the site. We have discussed the contamination issues with Waterman Energy, Environment and Design ("Waterman"), who have been advising F&C REIT Property Asset Management plc in this respect in connection with a potential redevelopment for industrial purposes. We have relied upon the advice from Waterman in respect of the costs arising from the environmental issues.

With the exceptions of the site of the derelict warehouse which used to be on part of the property formerly known as The Ozalid Works and Plot 8, Hams Hall, our enquiries and inspections have provided no evidence that there is a significant risk of contamination in respect of any of the Properties. Accordingly, you have instructed us to make an Assumption that no contamination or other adverse environmental matters exist in relation to the Properties sufficient to affect value. Other than as referred to above, we have not made any investigations into past or present uses, either of the Properties or any neighbouring land to establish whether there is any contamination or potential for contamination to the subject Properties. Commensurate with our Assumptions set out above, with the exception of the site formerly occupied by the derelict warehouse at The Ozalid Works, we have made no allowance in these valuations for any effect in respect of actual or potential contamination of land or buildings. A purchaser in the market would, in practice, undertake further investigations than those undertaken by us. If it is subsequently established that contamination exists at any of the Properties or on any neighbouring land or that any of the premises have been, or are being, put to any contaminative use then this might reduce the values now reported.

We have made enquiries of the Environment Agency website for the purposes of earlier valuations and were advised that the majority of the subject Properties fall outside the extent of the extreme flood. This is categorised as being a chance of flooding equivalent to 0.1 per cent. (1 in 1,000) or less. We are advised that the properties referred to below fall within the extent of an extreme flood from rivers or the sea. The property at Dane Street, Rochdale is within an area categorised as being an area that is likely to be affected by a major flood, with up to a 0.1 per cent. (1 in 1,000) chance of occurring each year. The properties at Eccleston Square, London SW1 and Watchmoor Park, Camberley are within areas where the chance of flooding each year is said to be 0.5 per cent. (1 in 200) or less.

If any of the Properties lies within or close to a flood plain, or has a history of flooding, we have made the Assumption that building insurance is in place regarding flooding and available to be renewed to the current or any subsequent owners of the property, without payment of an excessive premium or excess.

9.4 **Areas**

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

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

9.5 **Statutory requirements and planning**

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

We have made an Assumption that the buildings have been constructed in full compliance with valid town planning and building regulations approvals and that where necessary they have the benefit of current Fire Risk Assessments compliant with the requirements of the Regulatory Reform (Fire Safety) Order 2005. Similarly, we have also made an Assumption that the Properties are not subject to any outstanding statutory notices as to their construction, use or occupation. Unless our enquiries have revealed the contrary, we have made a further Assumption that the existing uses of the Properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

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

In England and Wales, the Government has implemented the Energy Performance of Buildings Directive requiring Energy Performance Certificates ("EPC") to be made available for all Properties, when bought or sold, subject to certain exemptions. In respect of any of the subject Properties which are not exempt from the requirements of this Directive, we have made an Assumption that an EPC is made available, free of charge, to the purchasers of the interests which are the subject of our valuation.

9.6 **Leasing**

We have read copies of headleases for the purposes of earlier valuations. We have not read copies of the occupational leases or other related documents but have relied, for the purposes of our valuations, on information provided by F&C REIT Property Asset Management plc. We have also had regard to the FCPT Reports as far as they relate to leasing matters.

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

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

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

9.7 **Information**

In undertaking our valuations, we have relied on information and advice supplied by F&C REIT Property Asset Management plc in respect of outstanding costs or retentions where works by FCPT have been completed or are ongoing and payments to incoming tenants. We have relied on information and advice supplied by F&C REIT Property Asset Management plc in respect of costs by way of planning obligations affecting the Properties either as a result of development that has occurred or in respect of future planning obligations in the case of development which may occur in the future. Similarly, we have relied on information and advice supplied by F&C REIT Property Asset Management plc relating to future development costs, the timing of ongoing works and development and the specification of the developments at Great Pulteney Street. In each case, we have reflected this advice in our valuations.

We have made an Assumption that the information F&C REIT Property Asset Management plc and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an Assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

10. Valuation

We are of the opinion that the aggregate of the Market Values as at 31 May 2010 (18 June in the case of the Chorley Property) of the freehold or leasehold interests in the Properties described in the Schedule to this Valuation Report, subject to the Assumptions, Special Assumption and comments in this Valuation Report, was as follows:

Freehold (28 properties)	£618,395,000	(Six hundred and eighteen million three hundred and ninety five thousand pounds)
Part Freehold/Part Long Leasehold (1 property)	£128,500,000	(One hundred and twenty eight million five hundered thousand pounds)
Long Leasehold (3 properties)	£52,600,000	(Fifty two million six hundred thousand pounds)
TOTAL	£799,495,000	(Seven hundred and ninety nine million four hundred and ninety five thousand pounds)

11. Consent and responsibility

DTZ Debenham Tie Leung Limited hereby gives its consent to the inclusion of this Valuation Report in the Prospectus and the FCPT Circular and to the references to this Valuation Report and DTZ Debenham Tie Leung Limited in the Prospectus and the FCPT Circular in the form and context in which they appear. DTZ Debenham Tie Leung Limited authorises, and accordingly takes responsibility for, the contents of this Valuation Report for the purposes of Rule 5.5.3(2)(f) of the Prospectus Rules and confirms that the information contained in this Valuation Report is, to the best of our knowledge and having taken all reasonable care to ensure that is the case, in accordance with the facts and contains no omission likely to affect its import.

12. Confidentiality and disclosure

The contents of this Valuation Report may be used only for the Purpose of this Valuation Report. DTZ Debenham Tie Leung Limited hereby gives its consent to the inclusion of this Valuation Report in the Prospectus and the FCPT Circular and to the references to this Valuation Report in the Prospectus and the FCPT Circular in the form and context in which they appear. DTZ Debenham Tie Leung Limited authorises, and accordingly takes responsibility for, the contents of this Valuation Report for the purposes of Rule 5.5.3(2)(f) of the Prospectus Rules and confirms that the information contained in this Valuation Report is, to the best of our knowledge and having taken all reasonable care to ensure that is the case, in accordance with the facts and contains no omission likely to affect its import. Consequently, no responsibility is accepted to any party in respect of the whole or any part of its contents other than in connection with the purpose of this Valuation Report. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, the Valuer's written approval as to the form and context of such publication or disclosure must first be obtained. Such publication or disclosure will not be permitted unless, where relevant, it incorporates adequate reference to the Special Assumption referred to herein. For the avoidance of doubt such approval is required whether or not DTZ Debenham Tie Leung Limited is referred to by name and whether or not the contents of our Valuation Report are combined with others.

Yours faithfully

Gillian Rushmore BSc FRICS
Director
For and on behalf of
DTZ Debenham Tie Leung Limited

Schedule to the Valuation Report

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable[1]	Estimated Net Annual Rent[2]	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010[3]	Market Value as at 31 May 2010
BIRMINGHAM Hams Hall Plot 6A	The property comprises a purpose built distribution facility completed in 2000. The warehouse is steel portal framed with profiled steel clad elevations and roof. The height to underside of haunch is 12.0m. The warehouse has 12 electro-hydraulic level loading doors and a further two level access loading doors. Two storey offices, incorporating raised floors, are provided outside the envelope of the warehouse. Floor area 11,805 sq m (127,069 sq ft). FREEHOLD	The unit is let to Bell Microproducts Ltd for 18 years from April 2001 on an effectively FRI lease. There is a tenant's break clause operable on the expiry of the 15th year (April 2016).	£707,172	£572,000	£8,050,000	Yield reduced	£8,350,000
BIRMINGHAM Hams Hall Plot 8	The property comprises a purpose built distribution facility completed in 2001. The warehouse is steel portal framed with profiled steel clad elevations and roof. There are two distinct warehouse sections. The high bay with a height to underside of haunch of 29.85m and low bay, with a height to underside of haunch of 14.68m. The warehouse has six electro-hydraulic level loading doors and a further 12 level access loading doors. The entire loading area is covered by a substantial canopy running almost the entire length of the building. Three storey offices, incorporating raised floors, are provided outside the envelope of the warehouse. Floor area 24,651 sq m (265,340 sq ft). FREEHOLD	The unit is let to Wincanton Holdings Ltd for 25 years from March 2000 on an effectively FRI lease. There is a tenant's break clause operable on the expiry of the 15th and 20th years (March 2015 and 2020).	£1,500,000	£1,127,500	£16,900,000	Yield reduced	£17,200,000[5]

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
BIRMINGHAM Hams Hall Plot 10A	The property comprises a purpose built distribution facility completed in 2002. The warehouse is steel portal framed with profiled steel clad elevations and roof. The height to underside of haunch is 12.16m. The warehouse has 16 electro-hydraulic level loading doors and a further two level access loading doors. Two storey offices, incorporating raised floors, are provided outside the envelope of the warehouse. Floor area 20,928 sq m (225,808 sq ft). FREEHOLD	The unit is let to Arvato SCM Ltd (guaranteed by Bertlesmann AG) for just over 10 years from July 2006 (expires July 2016) on an effectively FRI lease.	£1,130,890	£1,015,000	£12,885,000	Yield reduced	£13,370,000
CAMBERLEY Affinity Point Glebeland Road	The property comprises a standalone warehouse, with office accommodation to the front. The unit is of steel portal frame construction, with metal cladding under a pitched roof. The warehouse has a concrete floor with internal blockwork walls to a height of about 2.4m (8ft). Above this level, the walls and roof are clad with profiled metal insulated panels. The warehouse is lit by suspended halogen lights and is heated via a gas fired ambi-rad overhead heating system. The office accommodation is arranged over ground and first floors. It is predominantly open plan although the tenant has erected some demountable partitioned office and meeting rooms. The specification includes carpeted floors, plastered and painted walls, ceiling integrated air conditioning, category two lighting, one ten person passenger lift and double glazed PVC windows. Floor area: 5,314 sq m (57,200 sq ft). FREEHOLD	The property is let in its entirety to Lansing Linde South East Ltd on a lease expiring in September 2023.	£458,600	£458,600	£6,050,000	Yield reduced	£6,420,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
CAMBERLEY Watchmoor Park	The property comprises three fully air conditioned office buildings. They date from the mid/late 1990s and are of framed construction with brick elevations under pitched tiled roofs. Buildings A and B are arranged on ground, first and second floors and building C is arranged on ground and three upper floors. The buildings have raised floors, suspended ceilings, category two lighting, passenger lifts, and male/female toilets on all floors. The office space is predominantly open plan incorporating a number of columns and partitioned offices. All three buildings are set in landscaped grounds with a total of 656 spaces for the whole development. Floor area: 11,520 sq m (123,996 sq ft). FREEHOLD	Building A is let to Dunlop Slazenger on a lease expiring in October 2016. There is a tenant's option to determine in October 2011. Building B is let to Alliance One International Ltd on a lease expiring in July 2017. There is a tenant's option to determine in July 2012. Building C is let to Flour Daniel Properties Limited on a lease expiring in February 2017. There is a tenant's option to determine in February 2012.	£2,887,000	£2,237,785	£17,875,000	Yield increased	£17,300,000
CHORLEY[4] Units 6 and 8 Revolution Park	The property comprises a distribution warehouse dating from 2008 having 14.50 m eaves height, 10 dock level loading doors, 34 ground level loading doors and a four storey office block. The warehouse has been fitted out in part with a mezzanine and is due to be fitted out fully with an Automated Racking System (ARS). Externally, there are 196 car parking spaces, 36 light goods vehicle spaces and 51 HGV parking spaces plus a fully secured yard. Total site area is 9.52 hectares (23.52 acres) which includes 2.89 hectares (7.15 acres) of undeveloped expansion land which has a four year overage agreement in place at 50% of Market Value being payable to the vendor if developed upon. The total floor area is approximately 34,234.86 sq m (368,513 sq ft). FREEHOLD	To be let from completion to Kimberly-Clark Ltd by way of a new 11 year lease for the land and buildings (including expansion land) at £1,718,000 per annum with 2% compound annual uplifts. A 12 month rent free period has been agreed at lease commencement. An additional rent is payable to the landlord for the ARS at a contracted fixed rent of £532,000 per annum over the 11 year term after which the ARS will become a tenant fixture and will cease to become rentable. A 12 month rent free period has been agreed at lease commencement.	£0	Land and buildings £1,718,000	N/A	N/A	£16,900,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
COLCHESTER Ex-Grainger Trust & Ozalid Works	Ex-Grainger Trust, this part of the property comprises a complex of relatively small single storey industrial buildings. Ozalid Works, this is a site where a former factory was situated. The site has been cleared and now comprises a large hard standing which is to be used for open storage purposes. The total area for this part of the property is approximately 8 acres. Floor area (Ex-Grainger Trust): 4,978 sq m (53,586 sq ft). FREEHOLD	The industrial units are let to a variety of tenants with a mix of lease expiries ranging from a tenant holding over to a lease expiring in February 2014. There are currently two vacant industrial units.	£201,903	£247,553	£4,500,000	Yield reduced	£4,560,000
COLCHESTER The Cowdray Centre Cowdray Avenue	The property comprises a single retail warehouse with on site car parking fronting a ring road and an estate of 14 light industrial units. The units were built in the early 1980s and are of traditional steel frame construction with part brick, part pressed steel clad elevations under pitched roofs. The industrial units are fronted by concrete hardstanding. The retail warehouse unit comprises a small external garden centre and car parking for approximately 137 vehicles. Floor area (retail warehouse): 2,663 sq m (28,660 sq ft). Floor area (industrial units): 15,848 sq m (170,594 sq ft). Total Floor area: 18,511 sq m (199,254 sq ft). FREEHOLD	The retail warehouse is let to CDS (Superstores International Limited) on a lease expiring in June 2024. The industrial units are let to a variety of tenants with a mix of lease expiries ranging from later in 2010 to October 2017. There are currently two vacant industrial units.	£992,363	£1,100,500	£13,220,000	Yield reduced	£13,380,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
DAVENTRY Logistics Park, Site E4	The property comprises a modern distribution unit built in 2005. It has a multispan steel portal frame, with 16 metre eaves, 24 dock level loading doors and ancillary two storey offices. There is a service yard with a security gate. An additional rent is payable in respect of an enhanced specification including six additional level access loading doors with canopies; scissor lift tables to 5 dock level doors; fire alarms throughout the warehouse; increase floor loading; CCTV and security systems and a fully automated sprinkler system. Floor area Actual 27,987.53 sq m (301,255 sq ft) Rent Review area 27,870.93 sq m (300,000 sq ft). FREEHOLD	The property is let to Excel Europe Limited with a Guarantee from Excel Holdings Limited. The lease is based on full repairing and insuring terms for a term of 10 years from June 2005 expiring in May 2015. The current passing rent is £1,650,000 per annum, comprising a base rent of £1,500,000 per annum, with an additional rent of £150,000 per annum, to allow for the enhanced specification. There is a Rent Review due in June 2010.	£1,650,000	£1,500,000	£18,600,000	Yield reduced	£18,900,000
EDINBURGH Nevis & Ness House	The property comprises two interconnecting office blocks providing office accommodation over ground, first and second floor levels. There are two separate entrances and two separate service cores. The building is of steel frame construction, clad with concrete panelling and feature stonework incorporating double glazed windows in metal surrounds. Internally, the property is open plan and provides suspended ceilings incorporating Category 4 lighting, raised access flooring and a comfort cooling system. The property has a gas fired central heating system. Access between floors is via three staircases and two 8-person lifts. Externally, there is exclusive car parking for approximately 200 vehicles and the remainder of the site is landscaped. Floor Area: 3,907.1 sq m (42,056 sq ft). FREEHOLD	Each building is let on a single lease to HSBC expiring in June 2017 on an FRI basis. The next rent review in each lease is effective in July 2012.	£913,050	£700,000	£9,950,000	Yield unchanged. Value falls because overrented.	£9,900,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
EDINBURGH 124/125 Princes Street	The property comprises the basement, ground and six upper floors of a terraced block with the basement and ground floor levels in retail use. A separate entrance at the western side of the premises provides access to the upper floors which are in office use and of open plan design. There is a car park for 16 cars at first floor level, accessed from Rose Street Lane South, to the rear the building. The building is of frame construction with reconstituted sandstone type cladding, metal framed windows and a flat roof. The offices and common areas have recently been fully refurbished to a high specification and are serviced by two 8-person lifts and a staircase to all floors. The property is fitted with gas-fired central heating throughout. Floor Area: 3,518.3 sq m (37,871 sq ft). FREEHOLD	All retail and office leases are on an FRI basis. Retail unit let to Urban Outfitters until August 2024 on a stepped rental basis. No break options. Third floor office let to Norwich Union until January 2011, no rent reviews. Sixth floor let to BDG McColl until December 2014, no rent reviews. All other office suites currently vacant.	£622,555	£1,111,250	£12,250,000	Yields applied to let offices and retail marginally reduced. Costs expended.	£13,125,000
GLASGOW Alhambra House	The property comprises a modern office building, constructed in the late 1990s. Externally, the building has a granite stone finish façade. The building provides seven floors of office accommodation and the specification includes raised access flooring, suspended ceilings with recessed category two lighting, and climate control. There are 40 car parking spaces at basement level. Floor area: 8,877.27 sq m (95,555 sq ft). FREEHOLD	The ground floor is let to The Secretary of State for Transport until March 2015. The rent review from March 2010 is outstanding. The first and second floors are let to J P Morgan Securities Limited until September 2015. There is a tenant break option in September 2010, which has not been exercised. The third floor is let to Mercer Limited on a lease expiring in November 2014. There is a tenant break option in July 2011. The rent review effective at December 2009 is outstanding. The fourth, fifth and sixth floors are let to J P Morgan Chase Bank, National Association until August 2014. The basement substation is let to Scottish Power Plc until May 2058.	£1,995,490	£1,985,001	£26,725,000	Rental value reduced, yield reduced	£26,950,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
LEEDS 40/42 Albion Street	The property is a single let retail shop which was refurbished in 2000. It provides a ground floor retail sales area and store with first floor storage and second floor stores and staff facilities. Floor area: 149.11 sq m (1,605 sq ft). FREEHOLD	Let on a single lease to First Choice Holidays plc expiring in November 2019 and subject to five yearly rent reviews. The 2009 review is currently outstanding. The tenant is not in occupation of the unit and a temporary trader is in place.	£91,500	£91,500	£1,150,000	Yield reduced	£1,190,000
LONDON EC3 7 Birchin Lane	The building originates from around 1900 and comprises a terraced office building arranged over lower ground, ground and eight upper floors. There is a small annexe at the rear of the property. The property has a total floor area of approximately 2,093 sq m (22,523 sq ft). FREEHOLD	The offices are subject to six full repairing and insuring leases, two of which expire in each of 2010 and 2011; one expires in 2012 (with a tenant's option to determine in 2010); three expire in 2014 (with a tenant's option to determine in 2012) and one expires in 2018 (with a tenant's option to determine in 2013). One floor is subject to an Agreement for Lease for a term expiring in 2015 (with a tenant's option to determine in 2013).	£564,443	£640,580	£6,600,000	ERV increased, yield reduced	£7,950,000
LONDON W1 16 Conduit Street	The property was originally constructed in the late 19th century and is arranged over basement, ground and four upper floors. It provides retail accommodation at ground and first floor levels together with basement storage and self contained offices at second floor level. The third and fourth floors comprise two self contained residential units. The total floor area is approximately 473 sq m (5,088 sq ft). LEASEHOLD until 3912 at £27.52 per annum fixed.	The property is let Mandarina Duck Ltd on a single full repairing and insuring lease expiring in June 2020. The rent is subject to five yearly reviews, the next in June 2010.	£184,972	£214,972	£3,500,000	ERV increased, yield reduced	£3,675,000
LONDON W1 17A Curzon Street	The property comprises a 1950s built office building arranged over lower ground, ground and six upper floors. The ground, first and second floors and the common parts were refurbished in 2008 and 2009. There is parking for five cars in the basement. The property has a total floor area of approximately 1,006 sq m (10,825 sq ft). FREEHOLD	The offices are let on seven full repairing and insuring leases. The three leases on the refurbished floors expire in 2018 and are subject to five yearly rent reviews. Of the unrefurbished floors, there is one lease expiring in 2010, one expiring in 2011 and two expiring in 2014, one of which has a tenant's option to determine in 2012.	£712,019	£555,776	£10,640,000	ERV increased, yield reduced	£13,280,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
LONDON SW1 84 Eccleston Square	The property comprises a modern office building constructed behind a Georgian façade in 1989, arranged over lower ground, ground and six upper floors. The common parts were refurbished in 2008. There is parking for 52 cars at basement level and at the rear of the property. The property has total floor area of approximately 6,212 sq m (66,868 sq ft). FREEHOLD	The offices are let on two full repairing and insuring leases both expiring in March 2014. There is a substation let until 2088 at a nil rent.	£3,181,700	£2,358,280	£38,800,000	Yield reduced	£41,500,000
LONDON W1 24/27 Great Pulteney Street	The property is currently under redevelopment, with practical completion due in October 2011. It will comprise offices arranged over lower ground, ground and five upper floors. As a condition of the planning consent, there will be a small light industrial units on the ground and lower ground floors. The total area will be approximately 2,986 sq m (32,100 sq ft). FREEHOLD	None	£0	£1,562,550	£6,250,000	Residual approach adopted. Yield and timing reduced and costs expended.	£10,975,000
LONDON SW1 2/4 King Street	The property comprises a mixed use building on basement, ground and four upper floors constructed in the early 20th century. The ground floor is used as a gallery; the upper floors are in office use and have all been refurbished over the last five years. The property has a total floor area of approximately 1,330 sq m (14,314 sq ft). FREEHOLD	The property is subject to four full repairing and insuring leases. The ground floor gallery lease expires in 2022, two of the office leases expire in 2015, one with a tenant's option to determine in 2010, and the other office lease expires in 2010. The second floor is vacant and available to let.	£584,837	£574,300	£9,950,000	Yield reduced	£11,575,000
LONDON W1 385/389 Oxford Street	A retail property arranged over basement and ground floors with self contained offices on four upper floors, constructed behind a Victorian façade. The total floor area is approximately 730 sq m (7,858sq ft). LEASEHOLD until 2151 at £1 per annum.	Let on a single full repairing and insuring lease to Boots the Chemist Limited until September 2011 with no further reviews.	£797,499	£884,499	£13,700,000	ERV increased, yield reduced.	£15,100,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
LONDON SW1 Charles House 5/11 Regent St	A building comprising offices on part ground, part basement and seven upper floors and retail units on part ground floor, with ancillary basement accommodation, constructed behind a Regency façade. The common parts, ground and lower ground floors were refurbished in 2008. The total floor area is approximately 3,994 sq m (42,979sq ft). LEASEHOLD until 2119 at a rent based on 10% of the rent received subject to a minimum base rent. The base rent is currently £217,119 per annum and is subject to five yearly upward only rent reviews to 10% of the average rent receivable over the preceding five year period.	The offices are let on nine full repairing and insuring leases of which three expire in 2014, one expires in 2017, four expire in 2018 (two of which have tenants' options to determine in 2013) and one expires in 2019 with a tenant's option to determine in 2015. The 2017, 2018 and 2019 leases contain five yearly rent reviews. The retail units are subject to three leases on full repairing and insuring terms, one of which expires in each of 2012, 2016 and 2017. The latter two are subject to rent reviews in 2012.	£2,250,836	£1,247,833	£31,175,000	ERV increased	£33,825,000
LONDON W1 St. Christopher's Place Estate	The property comprises a number of separate buildings, which together form the St. Christopher's Place Estate. The buildings generally date from the 19th century and are of brick construction with period facades. There are a few buildings in St. Christopher's Place which are not in FCPT's ownership. Generally, the buildings have restaurant and retail units situated on the ground and basement floor levels with residential and office uses on the upper floor levels. Some of the upper parts have been sold off on long leasehold interests. The office accommodation is generally of a basic specification although FCPT has refurbished some of the suites to provide air-conditioned media style office space with timber floors. The restaurant and café units situated on the pedestrianised Barrett Street and on James Street benefit from outside pavement seating. Floor area: 14,928 sq m (160,688 sq ft). PART FREEHOLD/PART LEASEHOLD	The property is let to a variety of tenants with a mix of lease expiries. The covenant strength of the tenants varies. There are approximately 120 commercial leases in total. In the region of 31% of the net rent is secured on unexpired lease terms of over eight years and around 9% of the net rent is secured on unexpired lease terms of between 10 years and 15 years with about 11% of the net rent secured on unexpired lease terms in excess of 15 years. Approximately 22% of the commercial net rent is secured on offices; about 32% of the commercial net rent is secured on restaurants/bars and around 46% of the commercial net rent is secured on retail.	£5,970,471	£6,252,950	£110,775,000	Yields reduced. ERVs on Oxford Street increased	£128,500,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
LONDON SW1 Cassini House St James' Street	The property comprises a modern office building, completed in 1999, arranged on lower ground, ground and six upper floors, with part of the sixth floor accommodating two residential flats. There is parking for ten cars. The building has a total floor area of approximately 4,632 sq m (49,843 sq ft). FREEHOLD	The offices are subject to eight full repairing and insuring leases all expiring in 2017. One lease is subject to a tenant's option to determine in 2014. All the leases are subject to five yearly rent reviews. Two are subject to outstanding rent reviews as at October 2009. Both of the residential flats are let on Assured Shorthold Tenancies expiring in 2012.	£2,540,375	£2,722,531	£48,200,000	ERV increased, yield reduced	£59,100,000
LONDON SW19 Wimbledon Broadway	The property was developed in 2001 and comprises a retail and leisure scheme arranged around a crescent that is dissected by a central open air mall. There are two bridge links to and from either side of the open mall. The property comprises six retail units, a supermarket, a gym, a multiplex cinema and two restaurants. Floor area: 15,654 sq m (168,495 sq ft). FREEHOLD	The supermarket is let to Morrisons Stores plc on two leases expiring in 2020. The gym is let to Nuffield Health Wellbeing and the cinema to Odeon Cinemas Limited, both until 2027. The retail units are let on leases expiring in 2016 and 2017. The restaurant units are let until 2027. All the leases are on full repairing and insuring terms and are subject to five yearly rent reviews.	£3,363,954	£3,430,154	£46,850,000	Yield reduced	£48,750,000
MANCHESTER 82 King Street	The property comprises an office building with four retail units on the ground floor. The original accommodation on ground, first and second floors is Grade I listed and additional accommodation, completed in the late 1990s, is arranged on two basement levels, ground and thirteen upper floors. The two basement levels provide 33 car parking spaces. The total floor area is approximately 7,796.26 sq m (83,921 sq ft). FREEHOLD.	The offices are subject to 10 leases, of which one expires in 2012 and two expire in each of 2014, 2015, 2017, 2019 and 2023. Of the two leases expiring in 2017, one is subject to a tenant's option to determine in 2012 and terms have been agreed to vary the other by reducing the passing rent and extending its expiry date to 2022. The two leases expiring in 2019 are both subject to tenants' options to determine to 2014; one of the leases expiring in 2023 is subject to a tenant's option to determine in 2013.	£1,505,166	£2,102,875	£23,475,000	Yield increased, one tenant renegotiating lease terms	£21,900,000
NEWBURY Newbury Retail Park	The retail park comprises fifteen retail units and two restaurants with a large area of customer car parking within the scheme. One of the restaurants operates a drive though facility. We understand that the park was developed in the 1990s. The units are constructed with a steel portal frame supporting a coated profile metal sheet roof and wall panel cladding with an exterior brick plinth. Floor area: 16,118 sq m (173,948 sq ft). FREEHOLD	The retail units are let to a variety of tenants, predominantly multi nationals. One unit is let until each of 2015, 2024, 2025 and 2030. Two leases expire in each of 2016, 2018, 2019 and 2021. Five leases expire in 2022.	£3,430,465	£3,395,473	£63,175,000	Yield reduced, new lettings reflected	£66,800,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
READING Thames Valley One	The property comprises an air conditioned office building, dating from the 1990s, which is arranged on ground, first and second floors. The floor plates are split into two separate wings, separated by a central service core and double height reception area with glass curtain walling overlooking the landscaped gardens and feature lake. The building has raised floors, suspended ceilings, category two lighting, two 13 person passenger lifts and double glazed window units. The floor plates are generally open plan, subject to a small number of columns. There are male and female and disabled toilets on each floor. Landscaped parking facilities are provided at the rear of the building with approximately 288 marked spaces and ancillary bicycle spaces. Floor area: 6,867 sq m (73,920 sq ft). FREEHOLD	The property is let in its entirety to Fujitsu Services Limited on a lease expiring in March 2015.	£2,055,000	£1,663,200	£21,000,000	Yield reduced	£22,100,000
READING Thames Valley Two	The property comprises an air conditioned office building, dating from the 1990s, which is arranged on ground, first and second floors. The floor plates are split into two separate wings, separated by a central service core and double height reception area with glass curtain walling overlooking the landscaped gardens and feature lake. The building has raised floors, suspended ceilings, category two lighting, two 13 person passenger lifts and double glazed window units. The floor plates are generally open plan, subject to a small number of columns. There are male and female and disabled toilets on each floor. Landscaped parking facilities are provided at the rear of the building with a total of 244 marked spaces and ancillary bicycle spaces. Floor area: 5,200 sq m (55,970 sq ft). FREEHOLD	The property is let in its entirety to Oracle on a lease expiring in September 2012.	£1,420,000	£1,248,873	£13,450,000	Yield reduced	£13,750,000

Address	Description and tenure	Occupational tenancies	Current net annual rent receivable	Estimated Net Annual Rent	Market valuation as at 31 December 2009	Explanation for change in valuation between 31 December 2009 and 31 May 2010	Market Value as at 31 May 2010
ROCHDALE Dane Street	The property comprises two detached retail warehouse units with associated car parking and service facilities and a petrol filling station. The total floor area comprises approximately 9,269.84 sq m (99,783 sq ft) and the property was completed in the late 1990s. FREEHOLD	Let on two full repairing and insuring leases to Asda Stores Ltd and DSG Retail Ltd, both expiring in March 2022. The lease to Asda includes the petrol station and is subject to a tenant's option to determine in March 2020. Both leases are subject to rent reviews in March 2012 and 2017.	£1,913,000	£1,913,000	£32,400,000	Yield reduced	£33,575,000
SOLIHULL Sears Retail Park	The property comprises a purpose built retail warehouse park developed in the early 1990s. It forms part of a more substantial retail warehouse development, which is the principal out of town shopping destination for the south-east of the greater Birmingham conurbation. It comprises a terrace of seven units of steel portal frame construction with part profiled steel, part tiled roof and brick elevations facing a communal car park. There is a further, more modern, detached unit to the north with separate parking. Floor areas 11,736 sq m (126,327 sq ft). FREEHOLD	Let on six separate occupational leases which expire between September 2014 and June 2025. Two of the leases are to Homebase Ltd. The remaining units are let to Comet, Argos, Boots and Blane Leisure (t/a JJB Sports).	£3,952,052	£2,647,500	£53,375,000	Yield reduced	£55,350,000
SOUTHAMPTON Upper Northam Road	Two detached industrial units constructed in the mid 1990s having a total floor area of 11,573 sq m (124,528 sq ft). The buildings provide warehouse and production space, with 10% ancillary offices in Unit 1 and approximately 50% in Unit 2. FREEHOLD	The units are held on leases to News International Plc, however both properties have been sublet. The leases are on full repairing and insuring terms with expiries as at June 2012.	£826,250	£826,250	£7,930,000	Yield increased	£7,770,000
UXBRIDGE 3 The Square	A modern Headquarters office building located within an established business park. The four storey property has a total area of 8,621 sq m (92,800 sq ft) arranged on ground and three upper floors with underground car parking. FREEHOLD	The property is let to Centrica Holdings Limited, who have subsequently sub let the building to Cannon Europe Limited. The lease is on full repairing and insuring terms and expires in March 2022, with five yearly rent reviews.	£2,700,000	£2,220,000	£34,750,000	Yield reduced	£36,475,000

(1) Current net annual rent receivable is the total income reserved by leases at the date of valuation, less head rent where applicable.

(2) Estimated net annual rent in this schedule, is DTZ's opinion of rental value, reflecting the terms of relevant leases or, if appropriate, reflecting the fact that certain of the Properties, or parts thereof, were vacant as at this date of valuation, less head rent where applicable.

(3) References to "yield" refer to Equivalent Yield (NEY (Ann in arr)).

(4) The Chorley Property was acquired by the FCPT Secured Group on 18 June 2010 and all information in relation to this property is stated as at 18 June 2010.

(5) Valuation based on a Special Assumption.

Part 6

Financial information on the Company

1. Introduction

Statutory accounts of the Company for the three financial periods since the Company's incorporation in August 2006 to 31 December 2009, in respect of which the Company's auditors, Ernst & Young LLP of Royal Chambers, St Julian's Avenue, St. Peter Port, Guernsey GY1 4AF, which is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales, made unqualified reports under the The Companies (Guernsey) Laws 1994 to 1996 and the Law, are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Royal London House, 22/25 Finsbury Square, London EC2A 1DX and at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL.

2. Historical financial information

Historical financial information relating to the Company on the matters referred to below is included in the published annual reports and audited accounts of the Company as set out in the table below and is expressly incorporated by reference into this document.

	Accounts for period ended		
	31 December 2007	**31 December 2008**	**31 December 2009**
Nature of information	**Page No.**	**Page No.**	**Page No.**
Financial and Property Highlights	3	3	3
Consolidated Income Statement	23	23	23
Consolidated Statement of Changes in Equity	25	25	25
Consolidated Balance Sheet	24	24	24
Consolidated Cash Flow Statement	26	26	26
Notes to the Accounts	27-34	27-34	27-36
Dividends	29	29	30
Independent Auditors' Report	22	22	22

3. Selected financial information

The information in this paragraph 3 is information on the Company and has been extracted directly on a straight forward basis from the financial information referred to in paragraph 2 of this Part 6. Selected audited historical consolidated financial information relating to the Company which summarises the financial condition of the Company for the three periods ended 31 December 2009 is set out in the following table:

	31 December 2007	**31 December 2008**	**31 December 2009**
Net asset value			
Net assets (£000)	798,752	617,345	728,637
Equity shareholders' funds (£000)	798,742	617,335	728,627
Net asset value per share (p)	92.1	71.2	73.6

	31 December 2007	**31 December 2008**	**31 December 2009**
Consolidated income statement			
Total revenue (£000)	(17,095)	(127,765)	80,388
Profit/(loss) for the period (£000)	(28,106)	(135,883)	73,136
Earnings per share (p)	(3.71)	(15.67)	8.40

4. Operating and financial review

A description of changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments are set out in the sections headed "Chairman's Statement", "Managers' Review" and "Property Portfolio" in the published statutory accounts of the Company as follows and are expressly incorporated by reference into this document.

	Statutory accounts for period ended		
	31 December 2007	31 December 2008	31 December 2009
Nature of information	Page No.	Page No.	Page No.
Chairman's Statement	5+6	5+6	5+6
Managers' Review	8-11	8-11	8-11
Property Portfolio	13	13	13
Report of the Directors	15-20	15-20	15-20

There has been no change in the Company's investment portfolio since 31 December 2009 financial period of the Company for which half yearly financial information has been published that is significant in the context of the whole portfolio.

5. Significant change

Since 31 December 2009 (being the end of the last financial period of the Company for which financial information has been published), there has been no significant change in the financial or trading position of the UKCPT Group save that gross proceeds £150 million were raised by the Company in February 2010 pursuant to the 2010 Placing and Offer.

6. Capital resources

The Company currently has 1,238,794,000 UKCPT Shares in issue (of which 41,445,142 UKCPT Shares are held in treasury) and, on the assumption that 830,255,143 New UKCPT Shares are issued pursuant to the Scheme and the Phoenix Subscription, the Company will have 2,069,049,143 UKCPT Shares in issue (of which 41,445,142 UKCPT Shares are held in treasury). The UKCPT Group has cash, held in sterling, available of £85.3 million at 30 June 2010 and has drawn down £42.1 million under the Lloyds Facility. Cash inflows and outflows for the UKCPT Group in the year ended 31 December 2009 and the sources and amounts of those cashflows are set out in the Consolidated Income Statement, Consolidated Cash Flow Statement and related notes in the audited reports and accounts of the Company to 31 December 2009 (pages 23, 26 and 27-36) which are expressly incorporated by reference. Since 31 December 2009, the UKCPT Group has acquired (i) a property at Birstall Retail Park, Junction 27, Leeds for £56,630,000; (ii) three shopping centres in Shrewsbury for an aggregate consideration of £61,104,629; and (iii) the Glasgow Property with the consideration satisfied by the issue of 12,250,000 UKCPT Shares to Phoenix.

7. Capitalisation and Indebtedness

The following table shows the capitalisation of the UKCPT Group (distinguished between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 December 2009, the last date in respect of which audited financial information on the Company has been published and as at 30 June 2010, the latest practicable date prior to the publication of this document:

	As at 31 December 2009 £'000	**As at 30 June 2010 £'000**
Current debt		
Guaranteed	–	–
Secured	–	–
Unguaranteed/Unsecured	–	–
Total non-current debt		
Guaranteed	–	–
Secured	42,100	42,100
Unguaranteed/Unsecured	–	–
Shareholders' equity funds		
Share capital	322,680	473,025
Capital redemption reserve	–	–
Other reserves	405,947	437,500
Total equity	728,627	910,525

The information in the table above is: (i) unaudited financial information on the UKCPT Group as at 30 June 2010, extracted from internal accounting records, and (ii) audited financial information as at 31 December 2009, extracted from the audited report and accounts of the Company.

The following table shows the UKCPT Group's net indebtedness at 30 June 2010.

		£'000
A.	Cash	85,298
B.	Cash equivalent	–
C.	Trading securities	–
D.	**Liquidity (A + B + C)**	85,298
E.	**Current financial receivable**	–
F.	Current bank debt	–
G.	Current portion of non-current debt	–
H.	Other current financial debt	–
I.	**Current financial indebtedness (F + G + H)**	–
J.	Net current financial indebtedness (I – E – D)	(85,298)
K.	Non-current bank loans	42,100
L.	Bonds issued	–
M.	Other non-current loans	–
N.	**Non-current financial indebtedness (K + L + M)**	42,100
O.	**Net financial indebtedness (J + N)**	(43,198)
Indirect indebtedness		–
Contingent indebtedness		–

The information in the table above is unaudited financial information of the UKCPT Group and has been extracted from internal management accounting records as at 30 June 2010 and has not been reported on by an accountant.

Part 7

Historical financial information on FCPT and the FCPT Subsidiaries

Section A: Historical financial information on FCPT and its subsidiaries for the three years ended 31 December 2009

The following financial information on FCPT and FCPT Holdings Limited has been prepared on the basis set out in note 1 of the notes to the accounts which are set out in pages 109 to 125 of this Part 7.

Consolidated income statement

For the three years ended 31 December 2007, 31 December 2008 and 31 December 2009

	Note	*2007* *£'000*	*2008* *£'000*	*2009* *£'000*
Revenue				
Rental income		55,182	51,629	50,056
Income from indirect property funds		6,917	5,533	145
Total revenue		62,099	57,162	50,201
Gains/(losses) on investments	9	(84,962)	(325,756)	19,039
Investment management fee	2a	(9,430)	(5,862)	(7,688)
Other expenses	3	(3,600)	(4,097)	(4,303)
Operating profit/(loss) before finance costs		(35,893)	(278,553)	57,249
Net finance costs				
Interest receivable	4	4,376	5,717	1,532
Finance costs	5	(12,128)	(12,133)	(12,139)
		(7,752)	(6,416)	(10,607)
Profit/(loss) before taxation		(43,645)	(284,969)	46,642
Taxation	6	(687)	850	(238)
Profit/(loss) and total comprehensive income for the year		(44,332)	(284,119)	46,604
Basic and diluted earnings/(losses) per share	8	(6.0)p	(39.8)p	6.8p

* FCPT was a new holding company incorporated on 19 May 2009 for the purpose of making an offer to acquire the entire issued share capital of the company now called FCPT Holdings. This acquisition was completed on 7 July 2009 and the above financial information is provided in respect of FCPT for the year ended 31 December 2009 and FCPT Holdings in respect of the years ended 31 December 2007 and 31 December 2008.

Consolidated balance sheet

As at 31 December 2007, 31 December 2008 and 31 December 2009

	Note	*2007* *£'000*	*2008* *£'000*	*2009* *£'000*
Assets				
Non-current assets				
Investment properties	9	978,425	654,155	722,536
Investments in indirect property funds held at fair value	9	118,651	5,116	6,072
		1,097,076	659,271	728,608
Current assets				
Properties held for sale	9	—	—	8,694
Trade and other receivables	10	5,676	6,193	5,400
Cash and cash equivalents	11	103,891	162,336	95,138
		109,567	168,529	109,232
Total assets		1,206,643	827,800	837,840
Current liabilities				
Trade and other payables	12	(18,956)	(13,859)	(18,518)
Non-current liabilities				
Interest bearing bonds	13	(229,093)	(229,197)	(229,308)
Deferred tax liabilities		(507)	(561)	(626)
		(229,600)	(229,758)	(229,934)
Total liabilities		(248,556)	(243,617)	(248,452)
Net assets		958,087	584,183	589,388
Represented by:				
Share capital	14	687,224	7,531	6,805
Reverse acquisition reserve	14	—	—	831
Capital redemption reserve	14	—	105	—
Share premium account	14	14,390	—	—
Special reserve	14	34,043	673,010	664,063
Capital reserve — investments sold	14	325	(21,293)	(20,974)
Capital reserve — investments held	14	213,448	(90,690)	(71,970)
Revenue reserve	14	8,657	15,520	10,633
Equity shareholders' funds		958,087	584,183	589,388
Net asset value per share	15	130.8p	85.8p	86.6p

Consolidated cash flow statement

For the years ended 31 December 2007, 31 December 2008 and 31 December 2009

	Note	*2007* *£'000*	*2008* *£'000*	*2009* *£'000*
Cash flows from operating activities				
Operating loss for the year before finance costs		(35,893)	(278,553)	57,249
Adjustments for:				
Unrealised losses on revaluation of investment properties		71,955	251,874	(17,764)
Unrealised losses on revaluation of indirect property funds		14,626	35,553	(956)
Losses/(gains) on sale of investment properties realised		(31)	4,137	(308)
Losses/(gains) on sale of indirect property funds realised		(1,588)	34,192	(11)
Decrease in operating trade and other receivables		541	472	(195)
Decrease in operating trade and other payables		(382)	(4,631)	4,409
		49,228	43,044	42,424
Interest received		4,376	5,717	1,532
Interest paid		(12,028)	(12,029)	(12,029)
Taxation paid		(445)	(551)	1,066
		(8,097)	(6,863)	(9,431)
Net cash inflow from operating activities		41,131	36,181	32,993
Cash flows from investing activities				
Purchase of investment properties	9	—	—	(54,785)
Sale of indirect property funds	9	50,188	43,790	11
Sale of investment properties	9	31	71,302	320
Capital expenditure	9	(3,400)	(3,043)	(4,538)
Net cash (outflow) inflow from investing activities		46,819	112,049	(58,992)
Cash flows from financing activities				
Cost of share reconstruction charged to capital	3,20	—	—	(367)
Proceeds from issue of ordinary share capital	14	40,114	—	—
Share buy backs		(33,619)	(39,863)	—
Dividends paid	7	(43,845)	(49,922)	(40,832)
Net cash outflow from financing activities		(37,350)	(89,785)	(41,199)
Net increase in cash and cash equivalents		50,600	58,445	(67,198)
Opening cash and cash equivalents		53,291	103,891	162,336
Closing cash and cash equivalents		103,891	162,336	95,138

Consolidated shareholders' funds and statement of changes in shareholders' equity

Year ended 31 December 2009

	Notes	*Share capital £'000*	*Capital redemption reserve £'000*	*Reverse acquisition reserve £'000*	*Special reserve £'000*	*Capital reserve - investments sold £'000*	*Capital reserve - investments held £'000*	*Revenue reserve £'000*	*Total £'000*
At 1 January 2009		7,531	105	—	673,010	(21,293)	(90,690)	(15,520)	584,183
Group reconstruction	14	(726)	(105)	831	(367)	—	—	—	(367)
Profit for the year		—	—	—	—	—	—	46,404	46,404
Dividends paid	7	—	—	—	—	—	—	(40,832)	(40,832)
Transfer in respect of unrealised losses on investment properties	9	—	—	—	—	—	17,764	(17,764)	—
Transfer in respect of unrealised losses on indirect property funds	9	—	—	—	—	—	956	(956)	—
Gains on sale of investment properties realised	9	—	—	—	—	308	—	(308)	—
Gains on sale of indirect property funds realised	9	—	—	—	—	11	—	(11)	—
Transfer from special reserve	14	—	—	—	(8,580)	—	—	8,580	—
At 31 December 2009		6,805	—	831	664,063	(20,974)	(71,970)	10,633	589,388

Year ended 31 December 2008

	Notes	*Share capital £'000*	*Capital redemption reserve £'000*	*Share premium account £'000*	*Special reserve £'000*	*Capital reserve - investments sold £'000*	*Capital reserve - investments held £'000*	*Revenue reserve £'000*	*Total £'000*
At 1 January 2008		687,224	—	14,390	34,043	325	213,448	8,657	958,087
Court reduction of share capital	14	(679,588)	—	(14,390)	693,978	—	—	—	—
Loss for the year		—	—	—	—	—	—	(284,119)	(284,119)
Dividends paid	7	—	—	—	—	—	—	(49,922)	(49,922)
Transfer in respect of unrealised losses on investment properties		—	—	—	—	—	(251,874)	251,874	—
Transfer in respect of unrealised losses on indirect property funds		—	—	—	—	—	(35,553)	35,553	—
Losses on sale of investment properties realised		—	—	—	—	(4,137)	—	4,137	—
Losses on sale of indirect property funds realised		—	—	—	—	(34,192)	—	34,192	—
Transfer of prior years' revaluation to realised reserve		—	—	—	—	16,711	(16,711)	—	—
Shares bought back	14	(105)	105	—	(39,863)	—	—	—	(39,863)
Transfer from special reserve	14	—	—	—	(15,148)	—	—	15,148	—
At 31 December 2008		7,531	105	—	673,010	(21,293)	(90,690)	15,520	584,183

Year ended 31 December 2007

	Notes	*Share capital £'000*	*Capital redemption reserve £'000*	*Share premium account £'000*	*Special reserve £'000*	*Capital reserve — investments sold £'000*	*Capital reserve — investments held £'000*	*Revenue reserve £'000*	*Total £'000*
At 1 January 2007		661,500	—	—	58,434	4,202	312,412	3,221	1,039,769
Issue of ordinary share capital	14	25,724	—	14,390	—	—	—	—	40,114
Loss for the year		—	—	—	—	—	—	(44,332)	(44,332)
Dividends paid	7	—	—	—	—	—	—	(43,845)	(43,845)
Transfer from special reserve	14	—	—	—	(8,651)	—	—	8,651	—
Transfer in respect of unrealised losses on investment properties		—	—	—	—	—	(71,955)	71,955	—
Transfer in respect of unrealised losses on indirect property funds		—	—	—	—	—	(14,626)	14,626	—
Gains on sale of investment properties realised		—	—	—	—	31	—	(31)	—
Gains on sale of indirect property funds realised		—	—	—	—	1,588	—	(1,588)	—
Transfer of prior years' revaluation to realised reserve		—	—	—	—	12,383	(12,383)	—	—
Shares bought back		—	—	—	(15,740)	(17,879)	—	—	(33,619)
At 31 December 2007		687,224	—	14,390	34,043	325	213,448	8,657	958,087

Notes to the Accounts

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the periods, is set out below.

(a) Basis of accounting

The consolidated accounts have been prepared and approved in accordance with International Financial Reporting Standards ('IFRS') issued by, or adopted by, the International Accounting Standards Board (the 'IASB'), interpretations issued by the International Financial Reporting Standards Committee, applicable legal and regulatory requirements of The Companies (Guernsey) Law, 2008 and the Listing Rules of the UK Listing Authority. The consolidated accounts give a true and fair view and are also in compliance with The Companies (Guernsey) Law, 2008.

Where presentational guidance set out in the Statement of Recommended Practice ('SORP') for investment trust companies issued by the Association of Investment Companies ('AIC') in January 2009 is consistent with the requirements of IFRS, the F&C Commercial Property Trust Limited Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The notes and financial statements are presented in pounds sterling (functional and presentational currency) and are rounded to the nearest thousand except where otherwise indicated.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the period. The nature of the estimation means that actual outcomes could differ from those estimates.

After making enquiries, and bearing in mind the nature of the business and assets of each of F&C Commerial Property Trust Limited, FCPT Holdings Limited and F&C Commercial Property Holdings Limited (together being the "FCPT Group"), the FCPT Board considered that each company within the Group had adequate resources to continue in operational existence for the foreseeable future. For this reason, they continued to adopt the going concern basis in preparing the accounts for each period.

The following new standards have been adopted in the year ended 31 December 2009:

- On 6 September 2007, the IASB issued an amendment to IAS 1 'Presentation of Financial Statements (Amendment)', which became effective for periods commencing on or after 1 January 2009. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes, if any, disclosed in a single line.

  In addition, the standard introduces the Statement of Comprehensive Income. It presents all items of recognised income and expense either in a single statement, or in two linked statements. The FCPT Group elected to present one single statement, entitled the Consolidated Income Statement.

- On 5 March 2009, the IASB issued an amendment to IFRS 7 'Financial instruments: Disclosures', which became effective for periods commencing on or after 1 January 2009. The amendments are intended to enhance disclosure about fair value measurement.

- On 30 November 2006, the IASB issued IFRS 8 'Operating Segments', which became effective for periods commencing on or after 1 January 2009. The required disclosures are contained in note 1(h).

The following new standards have been issued but are not effective for the accounting period ended 31 December 2009 and have not been adopted early:

- In January 2008, the IASB issued IAS 27 'Consolidated and Separate Financial Statements' which becomes effective for accounting periods commencing on or after 1 July 2009. The objective of this standard is to enhance the relevance, reliability and comparability of the information that a parent entity provides in its separate financial statements and in its consolidated financial statements for a group of entities under its control.

- In November 2009, the IASB issued IFRS 9 'Financial instruments' which becomes effective for accounting periods commencing on or after 1 January 2013. This represents the first of a three part project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The objective of the standard is to enhance the ability of investors and other users of financial information to understand the accounting of financial assets and to reduce complexity.

The FCPT Group does not consider that the future adoption of any new standards, in the form currently available, will have any material impact on the financial statements as presented.

(b) Basis of consolidation

The consolidated financial statement for the year ended 31 December 2009 comprise the financial statements of F&C Commercial Property Trust Limited ("FCPT") and all of its subsidiaries drawn up to 31 December 2009. The consolidated financial statements for the years ended 31 December 2008 and 31 December 2007 comprise the financial statements of FCPT Holdings Limited (formerly F&C Commercial Property Trust Limited) and all of its subsidiaries drawn up to 31 December each year. Subsidiaries are those entities, including special purpose entities, controlled by FCPT. Control exists when FCPT has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

A group reconstruction took place during 2009, for full details see note 20.

Following the completion of the group reconstruction, the shareholders in the new legal parent company were substantially the same as those of the previous listed holding company. These consolidated financial statements have therefore been prepared under IFRS 3 using the 'reverse acquisition' basis of accounting. Under this basis, the consolidated financial statements have been prepared under the name of F&C Commercial Property Trust Limited but represent a continuation of the financial statements of the legal subsidiary, now called FCPT Holdings Limited.

The comparative information presented in these financial statements, including the equity structure at the end of the comparative period, is that of the legal subsidiary, FCPT Holdings Limited, as at 31 December 2008. At 31 December 2009, the equity structure reflects that of the new legal parent, F&C Commercial Property Trust Limited. All other reserves recognised in the consolidated financial statements reflect a continuation of the reserves of the legal subsidiary, FCPT Holdings Limited, immediately before the reconstruction. The difference arising between the nominal value of the total issued share capital (including the capital redemption reserve) immediately before and after the reconstruction has been recognised through the reverse acquisition reserve.

Following the reconstruction FCPT owns 100 per cent. of the issued ordinary share capital of FCPT Holdings Limited, a company incorporated in Guernsey which was, until the group reconstruction, the top company in the group structure. The principal activity of FCPT Holdings Limited is now to act as a holding company and owns 100 per cent of the ordinary share capital of F&C Commercial Property Holdings Limited.

FCPT owns indirectly 100 per cent. of the issued ordinary share capital of F&C Commercial Property Holdings Limited, a company incorporated in Guernsey whose principal business is that of an investment and property company.

The FCPT Group also consolidates the results of F&C Commercial Property Finance Limited, a special purpose vehicle incorporated in Guernsey to issue the interest-bearing bonds.

(c) Revenue recognition

Rental income, excluding VAT, arising on investment properties is accounted for in the Income Statement on a straight-line basis over the lease term of ongoing leases. Lease incentives granted are recognised as an integral part of the total rental income.

Distribution income received from the indirect property funds is recognised in the period to which the payment relates.

Interest income is accounted for on an accruals basis.

(d) Expenses

Expenses are accounted for on an accruals basis. The FCPT Group's investment management and administration fees, finance costs and all other expenses are charged through the Income Statement.

(e) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before taxation reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The FCPT Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. As the Directors consider the value of the property portfolio is likely to be realised by sale rather than use over time, and that no charge to Guernsey or United Kingdom taxation will arise on capital gains, no provision has been made for deferred tax on valuation uplifts.

(f) Investment properties

Investment properties consist of land and buildings held to earn rental income together with the potential for capital and income growth.

Investment properties are initially recognised at cost, being the fair value of consideration given, including associated transaction costs. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period during which the expenditure is incurred and included within the book cost of the properties.

After initial recognition, investment properties are measured at fair value, with unrealised gains and losses recognised in the Income Statement and transferred to the Capital Reserve — Investments Held. Fair value is based on the open market valuation provided by DTZ Debenham Tie Leung Limited, chartered surveyors, at the balance sheet date using recognised valuation techniques. These techniques comprise both the Yield Method and the Discounted Cash Flow Method. In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of FCPT's assets.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risks) are also taken into consideration when determining the fair value of investment properties under construction. These estimates are based on local market conditions existing at the balance sheet date.

Techniques used for valuing investment property

The Traditional Method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and application of investor yield or return requirements. One approach to value the property on this basis is to capitalise net rental income on the basis of an Initial Yield, generally referred to as the 'All Risks Yield' approach or 'Net Initial Yield' approach.

The Discounted Cash Flow Method involves the projection of a series of periodic cash flows either to an operating property or a development property. To this projected cash flow series an appropriate market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property. The calculated periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the market value of the property.

Investment properties held under finance leases and leased out under operating leases are classified as investment properties and stated at fair value.

On derecognition, realised gains and losses on disposals of investment properties are recognised in the Income Statement and transferred to the Capital Reserve — Investments Sold.

Recognition and derecognition occurs on the completion of a sale between a willing buyer and a willing seller.

(g) Investments

Investments in unquoted indirect property funds are recognised and derecognised on the trade date, and are initially measured at fair value.

Investments in unquoted indirect property funds are financial instruments and are classified as fair value through profit or loss. Financial assets designated as fair value through profit or loss are measured at subsequent reporting dates at fair value.

Accounting standards recognise a hierarchy of fair value measurements for financial instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:

Level 1 — Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Examples of such instruments would be investments listed or quoted on any recognised stock exchange. The FCPT Group held no such securities in the period to 31 December 2009.

Level 2 — Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such instruments would be those for which the quoted price has been suspended, forward exchange contracts and certain other derivative instruments. The FCPT Group held no such securities in the period to 31 December 2009.

Level 3 — External inputs are unobservable. Value is the FCPT Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instrument. The FCPT Group's investments in unquoted indirect property funds are included in Level 3.

(h) Operating segments

The FCPT Board has considered the requirements of IFRS 8 'Operating Segments'. The FCPT Board is of the view that the FCPT Group is engaged in a single segment of business, being property investment, and in one geographical area, the United Kingdom, and that therefore the FCPT Group has only a single operating segment. The FCPT Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Group. The key measure of performance used by the FCPT Board to assess the FCPT Group's performance is the total return on the FCPT Group's net asset value. As the total return on the FCPT's net asset value is calculated based on the net asset value per share calculated under IFRS as shown at the foot of the balance sheet, assuming dividends are re-invested, the key performance measure is that prepared under IFRS. Therefore no reconciliation is required between the measure of profit or loss used by the FCPT Board and that contained in the financial statements.

(i) Cash and cash equivalents

Cash in banks and short-term deposits are carried at cost. Cash and cash equivalents consist of cash in hand and short-term deposits in banks with an original maturity of three months or less.

(j) Trade and other receivables

Trade receivables, which are generally due for settlement at the relevant quarter end, are recognised and carried at the original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Reverse lease premia and other capital incentives paid to tenants are recognised as a current asset and amortised over the period from the date of lease commencement to the earliest termination date.

(k) Interest-bearing borrowings

All non-current borrowings are initially recognised at cost, being fair value of the consideration received, net of arrangement costs associated with the borrowings. After initial recognition, all interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any loan arrangement costs and any discount or premium on settlement.

2. Fees

(a) Investment management fee	*2009*	*2008*	*2007*
	£'000	*£'000*	*£'000*
– base management fee	4,185	5,862	9,430
– performance fee	3,503	—	—
	7,688	5,862	9,430

At the beginning of 2007 the FCPT Group's investment manager was F&C Asset Management plc. On 16 February 2007 the investment management agreement was novated to F&C Investment Business Limited ("FCIB"), a wholly-owned subsidiary of F&C Asset Management plc. In 2008 the property management arrangements of the

FCPT Group were delegated by FCIB, with the approval of FCPT, to F&C REIT Property Asset Management plc, which is also part of the F&C Asset Management plc group.

Up to 5 August 2008, FCIB was entitled to an investment management fee for the FCPT Group at an annual rate of 0.75 per cent. of the total assets less current liabilities, payable quarterly in arrears. In 2008, the FCPT Board agreed terms with FCIB for a reduction in the base management fee payable and the introduction of a performance fee.

Under the investment management arrangements in place since 5 August 2008 FCIB is entitled to a base management fee of 0.60 per cent. per annum of the FCPT Group's invested assets (including indirect property holdings) and 0.25 per cent. per annum of the net current assets, payable quarterly in arrears. The fees of any managing agents appointed by the investment manager are payable out of the management fee.

Under the new investment management arrangements FCIB is also entitled to a performance fee equal to 20 per cent. of the amount by which the total return (whether positive or negative) on the directly held properties exceeds 110 per cent. of the total return (90 per cent. if the total return is negative) on the benchmark and multiplied by the FCPT Group's average total assets (excluding any indirect property holdings). The benchmark for measuring the comparative performance of directly held properties is the total return from the IPD All Quarterly and Monthly valued funds. The performance fee payable in each financial year is capped at an amount which, when taken with the aggregate base management fee payable in each financial year, equals 1.0 per cent. of the gross assets of the FCPT Group. Performance fees in excess of this capped return can be carried forward for up to two subsequent financial years subject to the annual 1.0 per cent. cap. The performance fee is measured over a rolling three year period and the performance fee payable in respect of any one financial year is equal to the total performance fee earned over that three year period less any performance fees already paid in the previous two years. In the event that the amount already paid in the previous two years is in excess of the amount earned over the rolling three year period, such excess shall be repaid to the FCPT Group by FCIB.

The performance fee is accrued based on the amount that would have been payable had the investment management agreement been terminated on the balance sheet date. No recognition is made of any excess paid by the FCPT Group in the previous two years until the FCPT Group's entitlement to any repayment is certain.

The calculation for the year to 31 December 2009 resulted in the cap being applied.

FCIB is also entitled to an administration fee, which increases annually in line with inflation, and is payable quarterly in arrears. It received £112,000 for administration services provided in respect of the year ended 31 December 2009 (2008: £107,000; 2007: £103,000).

Under the new arrangements, the investment management agreement may be terminated by either party by giving not less than six months' notice. The agreement may be terminated earlier provided that a payment in lieu of notice, equivalent to the amount the investment manager would otherwise have received during the notice period, is made.

(b) Valuers' fees

The valuers of the investment properties, DTZ Debenham Tie Leung Limited, have agreed to provide valuation services in respect of the property portfolio. The valuation agreement is for a fixed term up to 31 March 2011 and an annual fee is payable equal to 0.0165 per cent. of the aggregate value of the direct property portfolio.

3. Other expenses

	2009	*2008*	*2007*
	£'000	*£'000*	*£'000*
Direct operating expenses of let rental property	2,460	2,669	2,488
Costs of group reconstruction*	506	—	—
Valuation and other professional fees	481	617	567
Provision for bad debts	249	225	(17)
Directors' fees	149	143	119
Administration fee	112	107	103
Auditor's remuneration for:			
– audit (current year)	57	50	34
– audit (prior year underprovision)	—	20	—
– other services	9	14	7
Other	280	252	299
	4,303	4,097	3,600

* The costs of the group reconstruction in 2009 totalled £873,000. Of these costs £367,000 related directly to the issue of new Ordinary Shares and were charged to the Special Reserve. The remaining costs, totalling £506,000, were charged through the Income Statement. Refer to note 20 for details of the reconstruction.

4. Interest revenue receivable

	2009 £'000	2008 £'000	2007 £'000
Deposit interest	1,532	5,717	4,376

5. Finance costs

	2009 £'000	2008 £'000	2007 £'000
Interest on the 5.23 per cent. Secured Bonds due 2017	12,139	12,133	12,128

6. Taxation

	2009 £'000	2008 £'000	2007 £'000
Current income tax charge	34	77	541
Increase in provision/(reversal of over-provision) from prior years	139	(981)	—
Deferred income tax relating to origination and reversal of temporary differences	65	54	146
Total tax charge/(credit)	238	(850)	687

A reconciliation of the income tax credit applicable to the results at the statutory income tax rate to the charge for the year is as follows:

	2009 £'000	2008 £'000	2007 £'000
Profit/(loss) before taxation	46,642	(284,969)	(43,645)
UK income tax at a rate of 20 per cent.	9,328	(56,994)	(9,602)
Effects of:			
Capital (gains)/losses on investment properties and indirect property funds not taxable	(3,808)	65,151	18,692
Income not taxable, including interest receivable	(306)	(1,143)	(963)
Expenditure not allowed for income tax purposes	2,719	2,631	2,875
Allowable intercompany loan interest paid	(7,834)	(8,827)	(10,315)
Losses brought forward from prior years	—	(642)	—
Increase in provision/(reversal of over-provision) from prior years	139	(981)	—
Deferred income tax relating to origination and reversal of temporary differences	—	(45)	—
Total tax charge/(credit)	238	(850)	687

Deferred income tax at 31 December 2009 relates to accelerated depreciation for tax purposes.

Under IAS 12, the FCPT Group is required to provide at the balance sheet date for deferred income tax on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, regardless of whether or not those temporary differences are expected to reverse.

The Company is exempt from Guernsey taxation under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. A fixed annual fee of £600 is payable to the States of Guernsey in respect of this exemption. No charge to Guernsey taxation will arise on capital gains.

The FCPT Directors intend to conduct the FCPT Group's affairs such that the management and control is not exercised in the United Kingdom and so that neither FCPT nor any of its subsidiaries carries on any trade in the United Kingdom. Accordingly, FCPT and its subsidiaries will not be liable for United Kingdom taxation on their income or gains other than certain income deriving from a United Kingdom source.

FCPT and its subsidiaries are subject to United Kingdom income tax on income arising on the property portfolio after deduction of its allowable debt financing costs and other allowable expenses.

7. Dividends

	2009 Total £'000	2008 Total £'000	2007 Total £'000
In respect of the previous period:			
Third interim dividend	n/a	10,875	11,025
Fourth interim dividend	3,403	10,687	11,025
Fifth interim dividend	3,402	n/a	n/a
Sixth interim dividend	3,403	n/a	n/a
Seventh interim dividend	3,402	n/a	n/a
In respect of the period under review:			
First interim dividend	3,403	10,650	10,920
Second interim dividend	3,402	10,650	10,875
Third interim dividend	3,403	7,060	n/a
Fourth interim dividend	3,402	n/a	n/a
Fifth interim dividend	3,403	n/a	n/a
Sixth interim dividend	3,403	n/a	n/a
Seventh interim dividend	3,403	n/a	n/a
Eighth interim dividend	3,403	n/a	n/a
	40,832	49,922	43,845

Three further interim dividends for the year to 31 December 2009, of 0.5 pence per share, each totalling £3,403,000 were paid on 29 January 2010 and 26 February 2010 and 26 March 2010. The twelfth, and last, interim dividend in respect of the year to 31 December 2009, of 0.5p per share, was paid on 30 April 2010 to shareholders on the register on 16 April 2010.

Although these payments relate to the year ended 31 December 2009, under IFRS they will be accounted for in the year ending 31 December 2010, being the period during which they are paid.

It is the Directors' intention that FCPT will continue to pay dividends monthly.

8. Earnings/(losses) per share

The FCPT Group's basic and diluted earnings/(losses) per Ordinary Share are based on the profit for the year of £46,404,000 (2008: loss of £284,119,000; 2007: loss of £44,332,000) and on 680,537,003 (2008: 713,355,033; 2007: 732,816,052) Ordinary Shares, being the weighted average number of shares in issue during the year.

9. Investments

	2009 £'000	2008 £'000	2007 £'000
Freehold and leasehold properties			
Opening book cost	715,624	785,898	782,498
Opening unrealised (depreciation)/appreciation	(61,469)	192,527	264,482
Opening fair value	654,155	978,425	1,046,980
Purchases	54,785	—	—
Sales – proceeds	(320)	(67,513)	(31)
– gain/(loss) on sale	308	(2,015)	31
Capital expenditure	4,538	3,043	3,400
Insurance proceeds received	—	(3,789)	—
Unrealised gains realised during the year	—	(2,122)	—
Decrease/(increase) in unrealised depreciation	17,764	(251,874)	(71,955)
	731,230	654,155	978,425
Closing book cost	774,935	715,624	785,898
Closing unrealised depreciation	(43,705)	(61,469)	192,527
Closing fair value	731,230	654,155	978,425

Included within the fair value of £731,230,000 at 31 December 2009 were investment properties of £722,536,000 and properties held for sale of £8,694,000.

	2009 £'000	2008 £'000	2007 £'000
Indirect property funds			
Opening book cost	34,337	97,730	133,947
Opening unrealised appreciation	(29,221)	20,921	47,930
Opening valuation	5,116	118,651	181,877
Sales – proceeds	(11)	(43,790)	(50,188)
– (loss)/loss on sale	11	(19,603)	13,971
Unrealised gains realised during the year	—	(14,589)	(12,383)
Decrease in unrealised depreciation	956	(35,553)	(14,626)
	6,072	5,116	118,651
Closing book cost	34,337	34,337	97,730
Closing unrealised (depreciation)/appreciation	(28,265)	(29,221)	20,921
Closing valuation	6,072	5,116	118,651

All the FCPT Group's investment properties were valued as at 31 December in each year by qualified professional valuers working for the company of DTZ Debenham Tie Leung Limited ("DTZ"), Chartered Surveyors, acting in the capacity of external valuers. All such valuers are Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors ('RICS').

DTZ completed the valuation of the FCPT Group's investment properties at 31 December in each year on a market value basis and in accordance with the requirements of the RICS Valuation Standards published by RICS. Market value is the amount for which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction as at the valuation date. The market value of these investment properties amounted to £732,950,000 (2008: £654,155,000; 2007: £978,425,000) and the fair value amounted to £731,230,000 (2008: £654,155,000; 2007: £978,425,000). The difference between the market value and the fair value consists of capital incentives paid to tenants totalling £1,614,000, which is separately recorded in the accounts as a current asset, and the expected costs of sale of £106,000 relating to Leeds, 27/28 Commercial Street which was classified as a property held for sale as at 31 December 2009. The DTZ valuation report is dated 15 January 2010 (the 'Valuation Report').

Gillian Rushmore BSc, FRICS has been the signatory of valuation reports provided to the FCPT Group for the same purpose as the Valuation Report for a continuous period since March 2005. DTZ has been carrying out valuations for the FCPT Group for the same purpose as the Valuation Report for the same period.

DTZ also values properties held by other companies for which the F&C REIT Property Asset Management plc group is also the investment manager. DTZ provides, and has provided in the past, ad hoc investment and occupational agency advice, landlord and tenant and building consultancy advice to members of the F&C REIT Property Asset Management plc group. DTZ is a wholly-owned subsidiary of DTZ Holdings plc. In DTZ Holdings plc's financial year to 30 April 2009, the proportion of total fees payable by the F&C REIT Property Asset Management plc group to the total fee income of DTZ Holdings plc was less than five per cent.

The FCPT Group has adopted IAS 40 (revised 2003), allowing leasehold properties to be carried at fair value rather than amortised over the term of the lease. The same valuation criteria are therefore applied to leasehold as freehold properties.

All leasehold properties have more than 60 years remaining on the lease term.

The property valuer is independent and external to the FCPT Group. The property valuer takes account of deleterious materials included in the construction of the investment properties in arriving at its estimate of open market valuation, when the Managers advise the presence of such materials.

The FCPT Group has entered into leases on its property portfolio as lessor (See note 19 for further information). In each period, no one property accounted for more than 15 per cent. of the gross assets of the FCPT Group.

There are no restrictions on the realisability of the FCPT Group's investment properties or on the remittance of income or proceeds of disposal. However, the FCPT Group's investments comprise UK commercial property, which may be difficult to realise as described in Liquidity risk in note 17.

The FCPT Group is under no contractual obligations to purchase, construct or develop any investment property. The majority of leases are on a full repairing basis and, as such, the FCPT Group is not liable for costs in respect of repairs, maintenance or enhancements to its investment properties.

The FCPT Board has appointed an independent valuer to place a market valuation on the units held in the indirect property funds for the FCPT Directors to consider. Market value, which is deemed to equate to fair value, means the estimated amount for which units could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

As the valuation of the units held in the indirect property funds is based on an independent valuer's opinion, which is an unobservable input, these holdings have been classified as Level 3 under the hierarchy of fair value measurements for financial instruments required by IFRS 7 (revised). Further detail on the effect of what, in the FCPT Board's view, would be a reasonably possible movement in the market price of these units is provided in note 17.

10. Trade and other receivables

	2009 *£'000*	*2008* *£'000*	*2007* *£'000*
Accrued income	3,932	3,282	2,934
Rents receivable (net of provision for bad debts)	1,329	1,481	1,274
Other debtors and prepayments	139	1,430	1,468
	5,400	6,193	5,676

Rents receivable, which are generally due for settlement at the relevant quarter end, are recognised and carried at the original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Included within accrued income is the prepayment for rent-free periods recognised over the life of the lease. At 31 December 2009 this amounted to £2,175,000 (2008: £1,511,000). Also included within accrued income is £1,614,000 (2008: nil) relating to capital incentives paid to tenants.

11. Cash and cash equivalents

All cash balances at the year end were held in cash, current accounts or in banks on short-term deposits with an original maturity of three months or less.

The cash balance at 31 December 2009 includes £2,031,000 (2008: £2,344,000; 2007: £3,263,000) of rent deposits and therefore a corresponding creditor is included within trade and other payables.

12. Trade and other payables

	2009 *£'000*	*2008* *£'000*	*2007* *£'000*
Rental income received in advance	10,813	9,763	11,960
VAT payable	1,171	839	1,198
Managers' fees payable	4,690	1,271	2,210
Income tax payable	250	—	466
Other payables	1,594	1,986	3,122
	18,518	13,859	18,956

The FCPT Group's payment policy is to ensure settlement of supplier invoices in accordance with stated terms.

13. Interest-bearing bonds

	2009 *£'000*	*2008* *£'000*	*2007* *£'000*
Principal amount outstanding	230,000	230,000	230,000
Issue costs	(1,196)	(1,196)	(1,196)
Amortisation of issue costs	504	393	289
Total due	229,308	229,197	229,093

The FCPT Group, through F&C Commercial Property Finance Limited, has issued £230,000,000 of Secured Bonds due 2017. The bonds carry interest at a fixed rate of 5.23 per cent. per annum and have an expected maturity date of 30 June 2015. If the bonds are not redeemed at this date they will carry interest at 0.60 per cent. over six-month LIBOR until the final maturity date of 30 June 2017. These bonds are secured by means of a fixed and floating charge over the whole of the assets of the Secured Group (which comprises FCPT Holdings Limited, F&C Commercial Property Holdings Limited and F&C Commercial Property Finance Limited). Under the covenant relating to the bonds FCPT is to ensure that for the Secured Group:

- the loan to value percentage remains less than, or equal to, 50 per cent. (defined as financial indebtedness expressed as a percentage of gross secured asset value);
- the secured loan to value percentage remains less than, or equal to, 40 per cent. (defined as the principal amount outstanding on the bonds expressed as a percentage of gross secured asset value);
- the interest cover ratio is greater than 1.5 times on any calculation date;
- payments are not made in respect of shares unless the ratio of free cash flow to interest is greater than 2.0 times and, after deduction of an amount equal to the proposed payment, greater than 1.75 times;
- no single property (measured by market value) accounts for more than 15 per cent. of the gross asset value;
- the sector weightings (measured by market value) do not exceed the following percentages of the gross asset value: All industrial: 40 per cent.; All office: 50 per cent.: All retail: 65 per cent.;
- the five largest properties (measured by market value) do not exceed 40 per cent. of the gross asset value;
- no single tenant exceeds 15 per cent. of the total annual net rental income from the properties;
- the five largest tenants do not exceed 40 per cent. of the total annual net rental income from the properties; and
- short leasehold properties (measured by market value) do not exceed 10 per cent. of the gross asset value.

The fair value of the interest-bearing bonds at 31 December 2009 was £221,181,000 (2008: £228,796,000; 2007: £225,799,000).

14. Share capital and share premium account and reserves

	£'000
Authorised share capital	
1,000,000,000 Ordinary Shares of 90p each as at 31 December 2007	900,000
1,000,000,000 Ordinary Shares of 1p each as at 31 December 2008	10,000

Following the group reconstruction in July 2009, as permitted by Guernsey law, FCPT does not have an authorised share capital.

Allotted, called-up and fully paid	*£'000*
763,582,016 Ordinary Shares of 90p each listed at 31 December 2007	687,224
31,048,013 Ordinary Shares of 90p each held in treasury at 31 December 2007	(27,943)
732,534,003 Ordinary Shares of 90p each in issue at 31 December 2007	659,281
753,082,016 Ordinary Shares of 1p each listed at 31 December 2008	7,531
72,545,013 Ordinary Shares of 1p each held in treasury at 31 December 2008	(726)
680,537,003 Ordinary Shares of 1p each in issue at 31 December 2008	6,805
680,537,003 Ordinary Shares of 1p each issued as part of the group reconstruction	6,805
680,537,003 Ordinary Shares of 1p each in issue at 31 December 2009	6,805

Share capital

At an extraordinary general meeting on 22 February 2008, shareholders approved proposals to reduce the nominal value of the Ordinary Shares from 90p to 1p and to cancel the share premium account. In both cases it was intended that the amount so arising would be transferred to the special reserve to be available for all purposes permitted under Guernsey law including the buying back of shares and the payment of dividends. Approval of the Court in Guernsey was received on 14 March 2008 resulting in an amount of £679.6 million being transferred from share capital to the special reserve, in respect of the reduction on the nominal value of the ordinary share capital currently listed, and £14.4 million being transferred from share premium to the special reserve, in respect of the cancellation of the share premium account.

As detailed in note 20, a group reconstruction was conducted during 2009. As a result of this reconstruction, one new Ordinary Share in the new legal parent, F&C Commercial Property Trust Limited, was issued for each one

Ordinary Share in issue in FCPT Holdings Limited. F&C Commercial Property Trust Limited therefore issued 680,537,003 new Ordinary shares during the year. The comparative information presented regarding the equity structure at the end of the comparative period is that of the legal subsidiary, FCPT Holdings Limited.

Apart from the shares issued as part of the reconstruction, FCPT did not issue or repurchase any Ordinary Shares during 2009.

Subject to the solvency test contained in The Companies (Guernsey) Law, 2008 being satisfied, Ordinary Shareholders are entitled to all dividends declared by the Company and to all of the Company's assets after repayment of its borrowings and ordinary creditors. Ordinary Shareholders have the right to vote at meetings of the Company. All Ordinary Shares carry equal voting rights.

At 31 December 2009, FCPT did not hold any Ordinary Shares in treasury. At 31 December 2008, the legal subsidiary held 72,545,013 shares in treasury (2007: 31,048,013). The shares held in treasury did not form part of the group reconstruction and were therefore not transferred to the new legal parent.

	2009	*2008*	*2007*
	£'000	*£'000*	*£'000*
Share premium account			
Received on the placing of Ordinary Shares	—	14,390	14,390
Court reduction of share capital	—	(14,390)	—
Closing balance	—	—	14,390
Listed share capital and share premium account	6,805	7,531	701,614

Capital redemption reserve

The nominal value of any shares repurchased for cancellation by FCPT is taken to this reserve. The reserve is non-distributable.

The balance on this account at the time of the group reconstruction in July 2009 has been transferred to the Reverse Acquisition Reserve.

Reverse acquisition reserve

Created as a result of the group reconstruction in July 2009 to reflect the difference arising between the total of the issued share capital (including the Capital Redemption Reserve) immediately before and after the reconstruction. This reserve is non-distributable. For further details on the group reconstruction refer to note 20.

Special reserve

The Special Reserve was created by the cancellation of FCPT Holdings Limited's Share Premium Account by the Royal Court of Guernsey in July 2005 and a subsequent smaller cancellation in March 2008. In addition, approval of the Royal Court of Guernsey was received in March 2008 to reduce the nominal value of the Ordinary Shares from 90p to 1p, resulting in an amount of £679.6 million being transferred from Share Capital to the Special Reserve. It is a distributable reserve to be used for all purposes permitted under Guernsey law, including the buy back of shares and the payment of dividends.

The costs of the group reconstruction related directly to the issue of new Ordinary Shares of £367,000 have been charged to the Special Reserve.

Capital reserve – investments sold

The following are accounted for in this reserve:

– gains and losses on the disposal of investments and investment properties, including the transfer of any unrealised gains now realised which were previously recognised through 'Capital Reserve – Investments Held'; and

– the buy back of shares up to the balance on this reserve, thereafter any buy back of shares is charged to the Special Reserve.

Capital reserve – investments held

The following are accounted for in this reserve:

– increases and decreases in the fair value of investment properties held at the year end; and

– increases and decreases in the fair value of investments in indirect property funds held at the year end.

Revenue reserve

Any surplus arising from the profit after taxation after payment of dividends is taken to this reserve, with any deficit up to the level of the special reserve being transferred from that reserve.

Capital management

The FCPT Group's capital is represented by the Ordinary Shares, Capital Redemption Reserve, Reverse Acquisition Reserve, Share Premium Account, Special Reserve, Capital Reserve – Investments Sold, Capital Reserve – Investments Held and Revenue Reserve. The FCPT Group is not subject to any externally-imposed capital requirements.

The capital of the FCPT Group is managed in accordance with its investment policy, in pursuit of its investment objective.

15. Net asset value per share

The FCPT Group's net asset value per Ordinary Share of 86.6p (2008: 85.8p; 2007: 130.8p) is based on equity shareholders' funds of £589,388,000 (2008: £584,183,000; 2007: £958,087,000) and on 680,537,003 (2008: 680,537,003; 2007: 732,534,003) Ordinary Shares, being the number of shares in issue at the year end.

16. Related party transactions

The FCPT Board are considered to be the FCPT Group's key management personnel. No FCPT Director has an interest in any transactions which are, or were, unusual in their nature or significant to the nature of the FCPT Group.

FCPT's ultimate parent company is Resolution Limited which, through a number of subsidiaries, held a majority shareholding in the Company as at 31 December 2009. Mr P Niven, a non-executive Director of FCPT, is also an independent non-executive director of Resolution Limited.

F&C Investment Business Limited received fees for its services as investment manager. Further details are provided in note 2. The total charge to the Income Statement during the year was £7,688,000 (2008: £5,862,000; 2007: £9,430,000) of which £4,690,000 (2008: £1,271,000; 2007: £2,210,000) remained payable at the year end. F&C Investment Business Limited received a further £112,000 for administration services provided in respect of the year ended 31 December 2009 (2008: £107,000; 2007: £103,000).

The Directors of FCPT received fees for their services. Total fees for the year were £149,000 (2008: £143,000; 2007: £119,000). No fees remained payable at the year-end.

As at 31 December 2008 and 31 December 2007 FCPT's ultimate parent company was Friends Provident plc which, through a number of subsidiaries, held a majority shareholding in FCPT as at 31 December 2008 and 31 December 2007. Friends Provident plc was also the ultimate parent company of FCPT's investment manager, F&C Investment Business Limited.

During 2008 FCPT purchased from Friends Provident Life Assurance Limited, a wholly owned indirect subsidiary of Friends Provident plc, a total of 26,897,000 of its own Ordinary Shares through three separate on-market transactions for a total consideration of £20,746,000.

17. Financial instruments

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

Consistent with that objective, the FCPT Group holds UK commercial property investments. In addition, the FCPT Group's financial instruments comprise interest-bearing bonds, cash, and receivables and payables that arise directly from its operations. The FCPT Group does not have exposure to any derivative instruments.

The FCPT Group is exposed to various types of risk that are associated with financial instruments. The most important types are credit risk, liquidity risk, interest rate risk and market price risk. There is no foreign currency risk as all assets and liabilities of the FCPT Group are maintained in pounds sterling.

The FCPT Board reviews and agrees policies for managing the FCPT Group's risk exposure. These policies are summarised below and have remained unchanged for the periods under review.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the FCPT Group.

At the reporting date, the FCPT Group's financial assets and financial liabilities exposed to credit risk amounted to the following (on a contractual maturity basis):

	Within one year £'000	*1-2 years £'000*	*2-5 years £'000*	*More than 5 years £'000*	*Total £'000*
Financial assets					
As at 31 December 2009					
Investments in indirect property funds	—	—	—	6,072	6,072
Cash and cash equivalents	95,138	—	—	—	95,138
Rents receivable	1,329				1,329
As at 31 December 2008					
Investments in indirect property funds	—	—	—	5,116	5,116
Cash and cash equivalents	162,336	—	—	—	162,336
Rents receivable	1,481	—	—	—	1,481
As at 31 December 2007					
Investments in indirect property funds	—	—	—	118,651	118,651
Cash and cash equivalents	103,891	—	—	—	103,891
Rents receivable	1,274	—	—	—	1,274
Financial liabilities					
As at 31 December 2009					
Trade and other payables	18,518	—	—	—	18,518
Interest-bearing bonds	12,029	12,029	36,087	236,015	296,160
As at 31 December 2008					
Trade and other payables	13,859	—	—	—	13,859
Interest-bearing bonds	12,029	12,029	36,087	248,044	308,189
As at 31 December 2007					
Trade and other payables	18,956	—	—	—	18,956
Interest-bearing bonds	12,029	12,029	36,087	260,073	320,218

In the event of default by an occupational tenant, the FCPT Group will suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. The FCPT Board receives regular reports on concentrations of risk and any tenants in arrears. The Managers monitor such reports in order to anticipate, and minimise the impact of, defaults by occupational tenants.

The FCPT Group has a diversified tenant portfolio. The maximum credit risk from the rent receivables of the FCPT Group at 31 December 2009 was £1,329,000 (2008: £1,481,000; 2007: £1,274,000).

As at 31 December 2009, rent receivable of £610,000 that was greater than three months overdue was fully provided for. Of this amount £77,000 was subsequently written off, £99,000 is still outstanding and £184,000 was recovered. As at 31 December 2008 the equivalent provision was £360,000 (2007: £135,000).

Apart from the rent receivable disclosed above there were not any financial assets which were either past due or considered impaired at 31 December 2009 (2008: nil; 2007: nil).

All of the FCPT Group's cash is placed with financial institutions with a long-term credit rating of AA or better. Bankruptcy or insolvency of such financial institutions may cause the FCPT Group's ability to access cash placed on deposit to be delayed or limited. Should the credit quality or the financial position of the banks currently employed significantly deteriorate, cash holdings would be moved to another bank.

During the periods, due to the quantum of cash balances held, counterparty risk was spread by placing cash across a number of different financial institutions.

Liquidity risk

Liquidity risk is the risk that the FCPT Group will encounter in realising assets or otherwise raising funds to meet financial commitments. The FCPT Group's investments comprise UK commercial property. Property and property-related assets in which the FCPT Group invests are not traded in an organised public market and may be illiquid. As a result, the FCPT Group may not be able to liquidate quickly its investments in these properties at an amount close to their fair value in order to meet its liquidity requirements.

The FCPT Group's liquidity risk is managed on an ongoing basis by the Managers and monitored on a quarterly basis by the Board. In order to mitigate liquidity risk the FCPT Group aims to have sufficient cash balances (including the expected proceeds of any property sales) to meet its obligations for a period of at least twelve months.

In certain circumstances, the terms of the FCPT Group's listed bonds entitle the bondholders to require early repayment and, in such circumstances, the FCPT Group's ability to maintain dividend levels and the net asset value attributable to the Ordinary Shares could be adversely affected. As at 31 December 2009 the FCPT Group's cash balance was £95,138,000 (2008: £162,336,000; 2007: £103,891,000).

The FCPT Group's investments include investments in indirect property funds which are not traded in an organised public market and which generally may be illiquid. As a result, similar to the directly-held properties, the FCPT Group may not be able to liquidate quickly some of its investments in those instruments in order to meet its liquidity requirements. As at 31 December 2009 the FCPT Group's investment in indirect property funds was £6,072,000 (2008: £5,116,000; 2007: £118,651,000).

Interest rate risk

Some of the FCPT Group's financial instruments are interest-bearing. They are a mix of both fixed and variable rate instruments with differing maturities. As a consequence, the FCPT Group is exposed to interest rate risk due to fluctuations in the prevailing market rate.

The FCPT Group's exposure to interest rate risk relates primarily to the FCPT Group's long-term debt obligations. Interest rate risk on long-term debt obligations is managed by fixing the interest rate on such borrowings. Long-term debt obligations and the interest rate risk they confer to the FCPT Group is considered by the Board on a quarterly basis. Long-term debt obligations consist of £230 million Secured Bonds due 2017 on which the rate has been fixed at 5.23 per cent. until the expected maturity date of 30 June 2015. If the bonds are not redeemed at this date they will carry interest at 0.6 per cent. over LIBOR until the final maturity date of 30 June 2017.

The following table sets out the carrying amount of the FCPT Group's financial instruments that are exposed to interest rate risk:

Type	*Total £'000*	*Fixed rate £'000*	*Variable rate £'000*	*Assets/ liabilities where no interest is received £'000*	*Weighted average interest rate %*	*Weighted average period for which rate is fixed (years)*
As at 31 December 2009						
Financial assets						
Cash and cash equivalents	95,138	43,668	51,470	—	0.46	0.1
Rents receivable	1,329	—	—	1,329	—	—
Financial liabilities						
5.23 per cent. Secured Bonds due 2017	229,308	229,308	—	—	5.29	5.5
As at 31 December 2008						
Financial assets						
Cash and cash equivalents	162,336	130,922	31,414	—	2.41	0.1
Rents receivable	1,481	—	—	1,481	—	—
Financial liabilities						
5.23 per cent. Secured Bonds due 2017	229,197	229,197	—	—	5.29	6.5
As at 31 December 2007						
Financial assets						
Cash and cash equivalents	103,891	—	103,891	—	5.68	—
Rents receivable	1,274	—	—	1,274	—	—
Financial liabilities						
5.23 per cent. Secured Bonds due 2017	229,093	229,093	—	—	5.29	7.5

Apart from the 5.23 per cent. Secured Bonds as disclosed in note 13, the fair value of financial assets and liabilities is not materially different from their carrying value in the financial statements.

Considering the effect on the Secured Bonds, it is estimated that an increase of 150 basis points in interest rates as at the balance sheet date would have decreased their fair value by approximately £14,467,000 (2008: £17,314,000; 2007: £19,060,000), and a decrease of 150 basis points would have increased their fair value by approximately £15,800,000 (2008: £19,166,000; 2007: £21,359,000). The carrying value of the Secured Bonds in the financial statements would have remained unchanged.

When the FCPT Group retains cash balances, they are ordinarily held on interest-bearing deposit accounts. The benchmark which determines the interest income received on interest-bearing cash balances is the bank base rate which was 0.5 per cent. as at 31 December 2009 (2008: 2.0 per cent.; 2007: 5.5 per cent.). FCPT's policy is to hold cash in variable rate or short-term fixed rate bank accounts and not usually in fixed rate securities with a term greater than three months.

Considering the effect on cash balances, an increase of 150 basis points in interest rates would have increased net assets and income for the year by £1,427,000 (2008: £2,435,000; 2007: £1,558,000). A decrease of 150 basis points would have had an equal but opposite effect. The calculations are based on the cash balances at the respective balance sheet dates.

Market price risk

The FCPT Group's strategy for the management of market price risk is driven by the investment policy. The management of market price risk is part of the investment management process and is typical of commercial property investment. The portfolio is managed with an awareness of the effects of adverse valuation movements through detailed and continuing analysis, with an objective of maximising overall returns to shareholders. Investments in 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 substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date. Such risk is minimised through the appointment of external property valuers. The basis of valuation of the property portfolio is set out in detail in the accounting policies and note 9.

The FCPT Group also holds investments in indirect property funds which in turn invest directly in commercial property. The underlying assets in such funds are valued by external property valuers appointed by the investment managers of the indirect property funds. In addition to the price risk attaching to the underlying assets, such funds also carry the risk that the investment cannot be disposed of at its net asset value due to a lack of liquidity. As at 31 December 2007, due to the technical requirements of IFRS and following extensive consultations with FCPT's auditor, these investments were included in the financial statements in their underlying net asset value, although the FCPT Board indicated that they considered a discount of 10 per cent. should be applied to such investments to reflect the likely realisable value of the holdings at that date. In order to address the fact that the likely realisable value of the indirect property holdings at the balance sheet date may not be equal to each fund's underlying net asset value, in 2008 and 2009 the FCPT Board appointed an independent valuer to obtain estimated market values for these holdings. The fair value of these investments is deemed to be the FCPT Directors' valuation, which reflects these independently produced market values.

Any changes in market conditions will directly affect the profit or loss reported through the Income Statement. A 15 per cent. increase in the fair value of the direct properties at 31 December 2009 would have increased net assets and income for the year by £109,685,000 (2008: £98,123,000; 2007: £146,764,000). A decrease of 15 per cent. would have had an equal but opposite effect.

A 25 per cent. increase in the fair value of the indirect property funds at 31 December 2009 would have increased net assets and income for the year by £1,518,000 (2008: £1,279,000; 2007: £29,663,000). A decrease of 25 per cent. would have had an equal but opposite effect.

The calculations above are based on the investment property and indirect property fund valuations at the respective balance sheet dates and are not representative of the year as a whole.

18. Capital commitments

The FCPT Group had capital commitments totalling £1,829,000 as at 31 December 2009 (2008: £2,190,000; 2007: £1,984,000).

19. Lease length

The FCPT Group leases out its investment properties under operating leases.

The future income based on the unexpired lessor lease length at the year end was as follows (based on annual rentals):

	2009	*2008*	*2007*
	£'000	*£'000*	*£'000*
Less that one year	3,931	1,000	1,961
Between two and five years	73,866	34,838	45,889
Over five years	436,525	384,798	413,764
Total	514,322	420,636	461,614

The largest single tenant at the year end accounted for 5.1 per cent. (2008: 5.7 per cent.; 2007: 5.2 per cent.) of the current annual rental income.

The unoccupied property expressed as a percentage of estimated total rental value (excluding indirect property funds and properties under development) was 2.8 per cent. (2008: 4.3 per cent.; 2007: 1.2 per cent.) at the year end.

The FCPT Group has entered into commercial property leases on its investment property portfolio. These properties, held under operating leases, are measured under the fair value model as the properties are held to earn rentals. The majority of these non-cancellable leases have remaining non-cancellable lease terms of between 5 and 15 years.

20. FCPT Group reconstruction

On 5 June 2009, a prospectus and an offer document were sent to shareholders containing details of proposals to introduce a new listed holding company, now called F&C Commercial Property Trust Limited (previously called New FCPT Limited), which was incorporated for the purpose of making an offer to acquire all of the previous listed holding company's (now called FCPT Holdings Limited) issued shares. The offer became unconditional on 3 July 2009 and, on 7 July 2009, the shares of the new holding company were admitted to listing on the Official List of the UKLA and to trading on the main market of the London Stock Exchange.

Also on 7 July 2009, the listing of the shares of the old holding company on the Official Lists of the UKLA and the Channel Islands Stock Exchange, and the trading in its shares on the London Stock Exchange and the Channel Islands Stock Exchange, were suspended. The listings were cancelled on 4 August 2009.

Under the offer, shareholders were offered one new share in the new listed holding company for each share in the old listed company. The effect of the transaction was that, during the period under review, the company now called F&C Commercial Property Trust Limited became the new holding company of the Group with the same Board of Directors.

On 9 November 2009 the FCPT Board announced that, pursuant to the statutory compulsory acquisition procedure under Guernsey law, F&C Commercial Property Trust Limited had acquired 100 per cent. of the issued share capital of FCPT Holdings Limited, and that the offer was therefore closed and was no longer capable of acceptance.

21. Post balance sheet events

Subsequent to the 2009 year end, the FCPT Group sold 27/28 Commercial Street, Leeds. The sale completed on 13 January 2010 with contracts having been exchanged on 24 December 2009. The property was sold for £8.8 million, which reflected a net initial yield of 5.74 per cent.

Also subsequent to the year end, the FCPT Group purchased 77/77a Wigmore Street, London W1 for £2.96 million, reflecting a net initial yield of 4.55 per cent. The purchase completed on 1 March 2010. This property occupies an important corner position on the St. Christopher's Place Estate.

Section B: SCP Estate Holdings Limited and SCP Estate Limited

SCP Holdings, a wholly owned subsidiary of FCPT, was incorporated on 24 February 2010. SCP Estate was also incorporated on 24 February 2010 and is a wholly owned subsidiary of SCP Holdings. Since incorporation, SCP Holdings and SCP Estate have not traded or carried on business other than: (i) on 1 March 2010 SCP Estate acquired a property at 77/77a Wigmore Street, London for £2.96 million; (ii) on 29 March 2010 SCP Estate acquired 372/374 Oxford Street and 14 Gees Court for an aggregate consideration of £25,750,908 from the FCPT Property Subsidiary; and (iii) on 28 June 2010 SCP Estate acquired the remainder of the properties held by the FCPT Property Subsidiary at St. Christopher's Place Estate, London (under exception of 1-5 St. Chrisopher's Place, 14/15 Stratford Place and 44 James Street which will be transferred if and when landlord's consent and the residential tenants pre-emption process have been gone through for the relevant property) for an aggregate consideration of £86,076,714.77.

The acquisitions noted above were funded by the issue of equity and loan notes by SCP Estate to its parent company, SCP Holdings. In turn, SCP Holdings funded its subscription for equity and loan notes in its subsidiary through the issue of equity to its parent company FCPT and the drawdown of the maximum £50 million available to it pursuant to a facility agreement dated 25 June 2010 between Barclays, SCP Holdings and SCP Estate (further details of the Barclays Facility Agreement are set out at paragraph 8.2.8 of Part 9 of this document).

Part 8

Section A: Unaudited pro forma financial information relating to the Enlarged UKCPT

The following unaudited pro forma financial information is provided to show the effect on the net assets and earnings of the UKCPT Group as if the transaction had occurred on 31 December 2009, being the date to which the last audited consolidated accounts of the Company were prepared. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the actual financial position or results of the Enlarged UKCPT.

The pro forma statement has been prepared in accordance with IFRS accounting policies adopted by the Company in its published accounts for the year ended 31 December 2009.

Net Asset Statement

		Adjustments		
	Company's net assets at 31 December 2009 £'000 Note A1	*FCPT net assets at 31 December 2009 £'000 Note A2*	*Other Adjustments £'000 Note A3*	*Pro forma Enlarged UKCPT total net assets £'000*
Non-current assets				
Investment properties	710,485	722,536	—	1,433,021
Investment in indirect property funds	—	6,072	—	6,072
	710,485	728,608	—	1,439,093
Current assets				
Properties held for sale	—	8,694	—	8,694
Trade and other receivables	5,181	5,400	—	10,581
Cash and cash equivalents	70,163	95,138	(71,600)	93,701
	75,344	109,232	(71,600)	112,976
Total assets	785,829	837,840	(71,600)	1,552,069
Current liabilities				
Trade and other payables	(15,273)	(18,518)	—	(33,791)
Non current liabilities				
Interest bearing bonds	—	(229,308)	—	(229,308)
Bank loan	(41,919)	—	—	(41,919)
Deferred taxation	—	(626)	—	(626)
	(41,919)	(229,934)	—	(271,853)
Total liabilities	(57,192)	(248,452)	—	(305,644)
Net assets	728,637	589,388	(71,600)	1,246,425

Income Statement

		Adjustments		
	Company's income for year ended 31 Dec 2009 £'000 Note A1	*FCPT's income for year ended 31 Dec 2009 £'000 Note A2*	*Other Adjustments £'000 Note A3*	*Pro forma Enlarged UKCPT income £'000*
Income and gains				
Rental income	48,818	50,056	—	98,874
Income from indirect property funds	—	145	—	145
Gains/(losses) on investments	31,345	19,039	—	50,384
Interest revenue receivable	225	1,532	—	1,757
Total income and gains	80,388	70,772	—	151,160
Expenditure				
Investment management fee	(4,503)	(7,688)	—	(12,191)
Other expenses	(2,594)	(4,303)	(4,600)	(11,497)
Total expenditure	(7,097)	(11,991)	(4,600)	(23,688)
Net operating profit/(loss) before finance costs	73,291	58,781	(4,600)	127,472
Finance costs				
Finance costs	(155)	(12,139)	—	(12,294)
Net profit/(loss) before taxation	73,136	46,642	(4,600)	115,178
Taxation	—	(238)	—	(238)
Net profit/(loss) for the period	73,136	46,404	(4,600)	114,948
Earnings per Share				Note A4
Basic and diluted earnings per share	8.40p	6.8p	—	6.76p

Notes

Note A1

The net assets and income statement of the Company as at 31 December 2009 have been extracted without material adjustment from the last audited financial statements of the Company dated 31 December 2009.

Note A2

The net assets and income statement of FCPT as at 31 December 2009 have been extracted without material adjustment from the last audited financial statements of FCPT dated 31 December 2009.

The audited financial statements of FCPT dated 31 December 2009 also consolidate the results of F&C Commercial Property Finance Limited, a special purpose vehicle incorporated in Guernsey to issue the interest bearing bonds.

Note A3

The following adjustments, totalling £71.6 million, have been made to the financial information for the purposes of the pro forma information:

(a) The expenses of the transaction are estimated at £4.6 million which are deducted from the cash balance at the year end and charged against 'Other Expenses' in the income statement. It is expected that some part of this amount will ultimately be charged to special reserves to the extent that it relates to the direct cost of the shares issued. As these expenses are directly associated with the transaction, they will not affect the Company's results in future periods.

(b) In addition it has been assumed that the maximum number of elections are made for the Cash Option and that £155 million will be paid out to the electing FCPT Shareholders, with Phoenix subscribing for its minimum of £88 million of New UKCPT Shares. As a result £67 million would be required to be financed by the Company, being its maximum amount under the Proposals.

Note A4

Basic and diluted earnings per share for the Enlarged UKCPT has been calculated on a net profit for the year of £114,940,000, as shown above, and on an average number of shares in issue of 1,700,837,752, calculated as follows:

Average number of UKCPT Shares:	870,582,609
Average number of FCPT Shares:	680,537,003
Conversion Factor:	1.22
New UKCPT Shares to be issued:	830,255,143
Average number of UKCPT Shares for the purpose of the pro forma calculation:	1,700,837,752

This calculation assumes that there were no elections for the Cash Option affecting the average number of shares in issue.

Note A5

No adjustment has been made in the pro forma statement for dividends declared but not paid as at 31 December 2009, amounting to £8,899,000 for the Company and £13,611,000 for FCPT.

Note A6

Any goodwill arising on the transaction has been ignored for the purposes of this pro forma statement.

Section B: Report by Ernst & Young on the unaudited pro forma financial information relating to the Enlarged UKCPT

The Directors and Proposed Directors
UK Commercial Property Trust Limited
Trafalgar Court
Les Banques
St. Peter Port
Guernsey GYI 3QL

12 July 2010

Dear Sirs

We report on the unaudited pro forma financial information relating to the Enlarged UKCPT Group (the "Pro Forma Financial Information") set out in Part 8 of the Prospectus dated 12 July 2010 which has been prepared on the basis described in notes A1 to A6, for illustrative purposes only, to provide information about how the Acquisition and the Issue might have affected the financial information presented on the basis of the accounting policies adopted by UK Commercial Property Trust Limited (the "Company") in preparing the financial statements for the period ended 31 December 2009. This report is required by item 20.2 of Annex I of Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Commission Regulation (EC) No 809/2004, consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of Commission Regulation (EC) No 809/2004.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the Commission Regulation (EC) No 809/2004, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of Commission Regulation (EC) No 809/2004.

Yours faithfully

Ernst & Young LLP

Part 9

General Information

1. General

1.1 The Company is a closed-ended investment company and was incorporated with limited liability in Guernsey under The Companies (Guernsey) Law, 1994 (replaced with the Law) with registered number 45387 on 24 August 2006. The Company operates under the Law and regulations made under the Law and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL (Telephone number: 01481 745001). The Company has received authorisation as an authorised closed-ended investment scheme from the Guernsey Financial Services Commission under section 8 of The Protection of Investors Bailiwick of Guernsey Law, 1987 (as amended) and The Authorised Closed-ended Investment Schemes Rules 2008 made thereunder. The Company is regulated by the Guernsey Financial Services Commission. As the Ordinary Shares are admitted to the Official List, the Company is required to comply with the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules.

1.2 The Property Subsidiary was incorporated with limited liability in Guernsey under The Companies (Guernsey) Law, 1994 (replaced with the Law) with registered number 45386 on 24 August 2006. The Property Subsidiary operates under the Law and regulations made under the Law and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL (Telephone number: 01481 745001). The Property Subsidiary is a wholly owned subsidiary of the Company.

1.3 The GP was incorporated with limited liability in Guernsey under The Companies (Guernsey) Law, 1994 (replaced with the Law) with registered number 45385 on 24 August 2006. The GP operates under the Law and regulations made under the Law and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL (Telephone number: 01481 745001). The GP is a wholly owned subsidiary of the Company.

1.4 The GLP was established as a limited partnership in Guernsey under the Limited Partnerships (Guernsey) Law, 1995 with registered number 709 on 6 September 2006. The GLP operates under that law and its place of business is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL (Telephone number: 01481 745001).

1.5 The Kensington JPUT was established in March 2006 to hold the Property at Kensington High Street, London. 99.5 per cent. of the units in the Kensington JPUT are held by the GLP and the remaining 0.5 per cent. of the units are held by the Property Subsidiary. The trustees of the Kensington JPUT are Dominion Corporate Trustees Limited and Dominion Trust Limited.

1.6 The Kew JPUT was established in April 2009 to hold the Property at Kew Retail Park, Richmond upon Thames, Surrey. 58.0 per cent. of the units in the Kew JPUT are held by the GLP and the remaining 42.0 per cent. of the units are held by the Property Subsidiary. The trustees of the Kew JPUT are Dominion Corporate Trustees Limited and Dominion Trust Limited.

1.7 The Weston-super-Mare JPUT was established in October 2009 to hold the Property at the Sovereign Centre, Weston-super-Mare, Somerset. 99.5 per cent. of the units in the Kensington JPUT are held by the Property Subsidiary and the remaining 0.5 per cent. of the units are held by the GLP. The trustees of the Weston-super-Mare JPUT are Weston Super Mare Trustee No.1 Limited and Weston Super Mare Trustee No.2 Limited.

1.8 The Charles Darwin JPUT was established in March 2010 to hold the Charles Darwin Centre, Shrewsbury. 99.0 per cent. of the units in the Charles Darwin JPUT are held by the Property Subsidiary and the remaining 1.0 per cent. of the units are held by the GLP. The trustees of the Charles Darwin JPUT are Charles Darwin Retail Unit Trustee No 1 Limited and Charles Darwin Retail Unit Trustee No 2 Limited.

1.9 The Riverside JPUT was established in March 2010 to hold the Riverside Shopping Centre and Riverside Medical Centre, Shrewsbury. 99.0 per cent. of the units in the Riverside JPUT are held by the Property Subsidiary and the remaining 1.0 per cent. of the units are held by the GLP. The trustees of the Riverside JPUT are Riverside Mall Retail Unit Trustee No 1 Limited and Riverside Mall Retail Unit Trustee No 2 Limited.

1.10 The Pride Hill JPUT was established in March 2010 to hold the Property at Pride Hill Shopping Centre, Shrewsbury. 99.0 per cent. of the units in the Pride Hill JPUT are held by the Property Subsidiary and the remaining 1.0 per cent. of the units are held by the GLP. The trustees of the Pride Hill JPUT are Pride Hill Retail Unit Trustee No 1 Limited and Pride Hill Retail Unit Trustee No 2 Limited.

1.11 The Leeds JPUT was established in March 2010 to hold the Property at the Junction 27 Retail Park, Leeds. 99.5 per cent. of the units in the Leeds JPUT are held by the Property Subsidiary and the remaining 0.5 per cent. of the units are held by the GLP. The trustees of the Leeds JPUT are Junction 27 Retail Unit Trustee No 1 Limited and Junction 27 Retail Unit Trustee No 2 Limited.

1.12 FCPT Holdings was incorporated with limited liability in Guernsey under The Companies (Guernsey) Law, 1994 (replaced with the Law) with registered number 42737 on 21 January 2005 and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL (Telephone number: 01481 745001). FCPT Holdings is currently a wholly owned subsidiary of FCPT and, upon the Scheme becoming effective, will be a wholly owned subsidiary of the Company.

1.13 The FCPT Property Subsidiary was incorporated with limited liability in Guernsey under The Companies (Guernsey) Law, 1994 (replaced with the Law) with registered number 42736 on 21 January 2005 and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL (Telephone number: 01481 745001). The FCPT Property Subsidiary is a wholly owned subsidiary of FCPT Holdings.

1.14 SCP Holdings was incorporated with limited liability in Guernsey under the Law with registered number 51517 on 24 February 2010 and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL (Telephone number: 01481 745001). SCP Holdings is a wholly owned subsidiary of FCPT.

1.15 SCP Estate was incorporated with limited liability in Guernsey under the Law with registered number 51516 on 24 February 2010 and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL (Telephone number: 01481 745001). SCP Estate is a wholly owned subsidiary of SCP Holdings.

1.16 The Investment Manager is a private limited company and was incorporated in Scotland under the UK Companies Act 1985 with the registered number SC101825 on 12 November 1986. The Investment Manager operates under the UK Companies Act 2006 (as amended). Its registered office and principal place of business is 50 Bothwell Street, Glasgow G2 6HR (Telephone number: 0141 222 8000). The Investment Manager is authorised and regulated by the Financial Services Authority.

1.17 The UKCPT Valuer is a private limited company and was incorporated in England and Wales under the UK Companies Act 1985 with the registered number 03536032 on 27 March 1998. The UKCPT Valuer operates under the UK Companies Act 2006 (as amended). Its registered office and principal place of business is St Martin's Court, 10 Paternoster Row, London EC4M 7HP (Telephone number: 020 7182 200).

1.18 The FCPT Valuer is a private limited company and was incorporated in England and Wales under the UK Companies Act 1985 which registered number 02757768 on 16 October 1992. The FCPT Valuer operates under the UK Companies Act 2006 (as amended). Its registered office and principal place of business is 125 Old Broad Street, London EC2N 2BQ (Telephone Number: 020 3296 3000).

2. Share capital

2.1 The share capital of the Company comprises an unlimited number of shares of 25p each. The issued share capital of the Company including shares in treasury (all of which will be fully paid-up) as at the date of this document and the issued share capital of the Enlarged UKCPT immediately following the implementation of the Scheme (on the assumption that 830,255,143 New UKCPT shares are issued pursuant to the Proposals) will be as follows:

	Issued and fully paid	
	Number of Ordinary Shares	*Nominal*
As at the date of this document		
Ordinary Shares	1,238,794,000[(1)]	£309,698,500
Immediately following the Issue and Admission		
Ordinary Shares	2,069,049,143[(1)]	£517,262,286

Note:

(1) 41,445,142 of the Ordinary Shares in issue are held by the Company in treasury.

2.2 The Company was incorporated with an authorised share capital of £187,500,000 divided into 750 million Ordinary Shares of 25p each. At incorporation, two Ordinary Shares were subscribed for, nil paid, by the subscribers to the Memorandum of Incorporation. On 22 September 2006, 529,999,998 Ordinary Shares were issued in connection with the First Issue. On 28 February 2007, 350 million Ordinary Shares were issued in connection with the 2007 Issue. On 30 October 2009, 151,544,000 Ordinary Shares were issued to Phoenix in connection with the 2009 Issue to partly satisfy the consideration payable for the acquisition of a portfolio of properties by the UKCPT Group. On 10 February 2010, 195,000,000 Ordinary Shares were issued pursuant to the 2010 Placing and Offer and on 6 July 2010, 12,250,000 Ordinary Shares were issued to Phoenix to satisfy the consideration payable to Phoenix for the acquisition of the Glasgow Property.

2.3 At the annual general meeting of the Company held on 4 June 2010, a special resolution was passed that, pursuant to section 2(1) of the Companies (Transitional Provisions) Regulations, 2008 the Memorandum of Incorporation of the Company be altered so that the limit of the authorised share capital of the Company be cancelled and that the Company may issue an unlimited number of shares of £0.25 each.

2.4 Save pursuant to the subscription of the two Ordinary Shares referred to in paragraph 2.2 of this Part 9, the First Issue, the 2007 Issue, the 2009 Issue, the 2010 Placing and Offer and the Glasgow Issue, since the date of incorporation no share or loan capital of the Company has been issued, for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option (save that, under the terms of the Phoenix Subscription Agreement, if the amount of cash required by the Company to satisfy elections for the Cash Option under the Scheme is more than £50 million, Phoenix has the option as to whether it subscribes for further New UKCPT Shares to fund elections in respect of up to the next £42 million of funds required (or whether the Company should use its existing cash resources and reserves to do so) as described in paragraph 8.1.9 of this Part 9).

2.5 During the periods from the Company's incorporation in August 2006 to 31 December 2009 (the periods covered by the 'financial information on the Company' in Part 6 of this document) 782,544,000 Ordinary Shares have been issued in consideration for the payment or transfer of assets other than cash to the UKCPT Group (being 63.17 per cent. of the issued share capital of the Company).

2.6 Under the Law, there are no statutory pre-emption rights equivalent to those in section 561(1) of the UK Companies Act 2006 and share capital of the Company may be issued by the Directors in accordance with the Articles and the Law. As a company incorporated in Guernsey, the Company is an overseas company for the purposes of the Listing Rules and there is no requirement under the Listing Rules to give pre-emption rights to existing Shareholders before making a new offer of equity shares for cash. However, as a result of the new Listing Regime introduced on April 2010, the Financial Services Authority has decided to impose the same standards on all Premium listed companies in relation to pre-emption rights. With effect from 5 April 2011, overseas Premium listed companies such as the Company will be required to give pre-emption rights to their existing shareholders when they make an offer of new equity shares for cash unless one of the exemptions in the Listing Rules applies (including that there has been prior shareholder consent to disapply pre-emption rights).

2.7 The Company has authority to make market purchases of up to 177,646,318 Ordinary Shares (being 14.99 per cent. of the number of Ordinary Shares in issue as at 4 June 2010 (excluding Ordinary Shares held by the Company in treasury) being the date on which such authority was granted by special resolution). The Company may retain any shares so purchased as treasury shares for future re-issue and re-sale or transfer or may cancel any such shares.

2.8 A total number of up to one billion Ordinary Shares are being issued pursuant to the Issue. Fractions of Ordinary Shares will not be issued.

2.9 It is expected that the New UKCPT Shares will be admitted to the Official List and to trading on the Main Market on 10 August 2010. No dealings will commence before this date.

2.10 The result of the Issue will be announced immediately prior to Admission through a Regulatory Information Service.

2.11 It is expected that the New UKCPT Shares will be issued in accordance with the Law and pursuant to a resolution of the Board of Directors on 9 August 2010 conditional upon Admission.

2.12 The New UKCPT Shares issued pursuant to the Issue will be in registered form and will be capable of being held in certificated form and settled through CREST. It is expected that definitive certificates, if applicable, will be posted to allottees within 14 days of the allotment and issue of shares. Temporary documents of title will not be issued. The Issue can not be revoked after dealing has commenced on 10 August 2010. The ISIN number for the New UKCPT Shares is GB00B19Z2J52.

2.13 The New UKCPT Shares will be issued to Phoenix at a price equivalent to the discount or premium to the UKCPT FAV as at 30 June 2010 that 91p per share is to the FCPT FAV as at 30 June 2010 as calculated for the purposes of the Scheme.

2.14 Numis Securities Limited, Winterflood Securities Limited, Cenkos Securities plc, J.P. Morgan Cazenove Limited and Collins Stewart Europe Limited act as market makers in respect of the Ordinary Shares and have agreed to act as market makers in respect of the New UKCPT Shares.

2.15 The Property Subsidiary has an unlimited share capital. The GP has an authorised share capital of £10,000 divided into 1,000,000 ordinary shares of 1p each. The Property Subsidiary has 400 fully paid ordinary shares in issue, all of which are held by the Company, and the GP has 100 fully paid ordinary shares in issue, all of which are held by the Company.

2.16 FCPT Holdings has an authorised share capital of £10,000,000 divided into 1,000,000,000 ordinary shares of 1p each of which 680,537,003 ordinary shares are issued and fully paid.

2.17 The FCPT Property Subsidiary has an authorised share capital of £10,000 divided into 1,000,000 ordinary shares of 1p each, or which 211,673 shares are issued and fully paid and held by FCPT Holdings.

2.18 Each of SCP Holdings and SCP Estate was incorporated with a share capital divided into ordinary shares of 1p each. Neither SCP Holdings nor SCP Estate have an authorised share capital. SCP Holdings has 72,376,044 fully paid ordinary shares in issue, all of which are held by FCPT, and SCP Estate has 46,711,951 fully paid ordinary shares in issue, all of which are held by SCP Holdings.

3. Related party transactions

Save as disclosed below, the Company was not a party to, nor had any interest in, any related party transaction (as defined in the Standards adopted according to the Regulation (EC) No 1606/2002) at any time during the three financial periods since the Company's incorporation in August 2006 to 31 December 2009 in respect of which the Company has published statutory accounts or during the period from 31 December 2009 to the date of this document:

3.1 the Company is party to the Investment Management Agreement and the Supplemental Investment Management Agreement;

3.2 if the Proposals become effective, the Company has agreed to pay the Directors (other than John Robertson) aggregate additional fees of up to £80,000 on Admission in recognition of the additional services provided by them in relation to the Proposals;

3.3 on 6 July 2010, the UKCPT Group acquired the Glasgow Property from Phoenix with the consideration satisfied by the issue of 12,250,000 Ordinary Shares to Phoenix;

3.4 on 19 February 2010, the Company paid the Directors (other than John Robertson) an additional fee of £5,000 each in recognition of the additional services provided by them in relation to the 2010 Placing and Offer;

3.5 on 19 January 2010 and 20 January 2010, the Company and the Investment Manager entered into a placing letter and a side letter to the Investment Management Agreement between the Company and the Investment Manager pursuant to which the Company paid a commission of 0.85 per cent. of the gross proceeds of the subscription by PALAL for new Ordinary Shares pursuant to the 2010 Placing and Offer and an additional fee of £250,000 to the Investment Manager (further details of which are set out in paragraphs 8.1.3 of this Part 9);

3.6 on 30 October 2009, the UKCPT Group acquired a portfolio of UK commercial properties from Phoenix with the consideration satisfied as to £35 million in cash and by the issue of 151,545,000 Ordinary Shares to Phoenix;

3.7 on 11 November 2009, the Company paid the Directors (other than John Robertson) additional fees of £5,000 each in recognition of additional services provided by them in relation to the 2009 Issue;

3.8 on 1 October 2009, the Company entered into a side letter to the Investment Management Agreement in relation to the 2009 Issue pursuant to which the Company paid the Investment Manager an additional fee of £250,000 (further details of which are set out in paragraph 8.1.4 of this Part 9);

3.9 on 8 February 2007, the Company and the Investment Manager entered into a cost commission agreement in relation to the 2007 Issue whereby the Investment Manager agreed to meet the costs and expenses payable by the Company if the 2007 Issue did not proceed, save for certain costs not to exceed £150,000. Under this agreement, it was also agreed that if the costs and expenses excluding stamp duty land tax exceeded £5,047,500 the Investment Manager would pay to the Company the excess and if the costs and expenses were below this amount the Company would pay to the Investment Manager the difference as a commission; and

3.10 on 8 September 2006, the Company and the Investment Manager entered into a cost commission agreement in relation to the First Issue whereby the Investment Manager agreed to meet the costs and expenses payable by the Company if this issue did not proceed. Under this agreement, it was also agreed that if the costs and expenses excluding placing commissions exceeded 1.45 per cent. of the value of the

Ordinary Shares issued, the Investment Manager would pay to the Company the excess and if the costs and expenses were below this amount the Company would pay to the Investment Manager the difference as a commission.

4. Memorandum and Articles of Association of the Company

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

4.1 *Memorandum of Incorporation*

One of the Company's principal objectives is to carry on the business of an investment company. The objects of the Company are set out in full in clause 3 of the Memorandum of Incorporation which is available for inspection of the address specified in paragraph 17 of this Part 9 of this document.

4.2 *Votes of members*

Subject to the restrictions referred to below and subject to any special rights or restrictions for the time being attached to any class of shares, every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative (other than the Company itself where it holds its own shares as treasury shares) at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every share held by him. There are not any different voting rights for major shareholders.

4.3 *Dividends*

(i) The Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors.

(ii) Subject to compliance with section 304 of the Law, the Directors may at any time declare and pay such dividends as appear to be justified by the financial position of the Company. Any monies realised on the sale or other realisation of any capital assets in excess of book value and all other monies in the nature of accretion to capital shall not be treated as profits available for dividend but subject as otherwise provided by the Articles may be used by the Company for the purchase of its own shares.

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

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

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

4.4 *Issue of shares*

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

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

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

4.5 *Variation of rights*

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

4.6 *Restriction on voting*

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

(ii) A member of the Company shall not, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he has failed to comply with a notice requiring the disclosure of shareholders' interests and given under the Articles (see paragraph 4.7 below) within 14 days, in the case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

4.7 *Notice requiring disclosure of interest in shares*

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

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

4.8 *Transfer of shares*

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

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

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

(iii) the CREST Guernsey Requirements.

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

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

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

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

4.9 *Alteration of capital and purchase of shares*

The Company may issue an unlimited number of shares of 25p each.

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

Shares repurchased by the Company may be held as treasury shares and dealt with by the Directors to the fullest extent permitted by the Law.

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

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

4.10 *Interests of Directors*

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

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

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

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

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

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

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

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

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

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

4.11 *Directors*

(i) The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £300,000 per annum (or such sum as the Company in general meeting shall from time to time determine). The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.

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

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

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

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

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

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

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

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

4.12 *Retirement of Directors*

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

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

4.13 *Winding up and continuation vote*

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

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

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

(iv) The Directors shall put an ordinary resolution to the shareholders to approve the continuation of the Company, in its then form, at the annual general meeting of the Company to be held in 2016 and thereafter at five yearly intervals (as described in paragraph 5 of this Part 9, the Company proposes to amend its current Articles to require a continuation vote to be propsed at its annual general meeting in 2015). If at any such annual general meeting, such resolution is not passed, the Board shall, within six months of such meeting, convene an extraordinary general meeting of the Company at which a special resolution shall be proposed to the members of the Company for the winding up of the Company and/or a special resolution shall be proposed to the members of the Company for the reconstruction of the Company, provided that such resolution for the reconstruction of the Company shall, if passed, provide an option to Shareholders to elect to realise their investment in the Company in full.

4.14 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money up to an amount equal to 65 per cent. of the gross assets of the UKCPT Group at the time of borrowing and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property or assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party.

4.15 *General meetings*

Not less than fourteen days' notice specifying the time and place of any general meeting (including annual general meetings) and specifying also, in the case of any special business, the general nature of the business to be transacted shall be given by notice by post to Shareholders. Every Shareholder shall be entitled to attend and vote (other than the Company itself where it holds its own shares as treasury shares) and to speak at every general meeting. The quorum for a general meeting shall be two Shareholders (other than the Company itself where it holds its own shares as treasury shares) present in person or by proxy.

4.16 *Changes to the Articles of Association*

The Articles can be amended by means of a special resolution of Shareholders which requires 75 per cent. of the votes cast at a general meeting to be in favour. This requirement is the same as that required by the Law.

5. Proposed changes to the Articles

Under the FCPT Articles, the FCPT Board is obliged to propose a continuation vote at FCPT's annual general meeting in 2015 and, as described in paragraph 4.13 (iv) of this Part 9, the current Articles include a similar obligation on the Board to propose a continuation vote at the Company's annual general meeting in 2016. At the Extraordinary General Meeting, under Resolution 1, the Company proposes to amend its current Articles to require a continuation vote to be proposed at its annual general meeting in 2015.

6. Directors, Proposed Directors and their interests in shares

6.1 The aggregate of the remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to the Directors by the Company in respect of the last completed financial year of the Company ended 31 December 2009 was £145,250. The Directors who served the Company during the year ended 31 December 2009 received the said aggregate remuneration in the form of the following rates:

	Year ended 31 December 2009 £
Christopher Hill	33,750
Keith Dorrian	28,750
Christopher Fish	30,250
John Robertson	23,750
Andrew Wilson	28,750

It is proposed that John Stephen will be paid £40,000 per annum in respect of his appointment as Chairman of the Enlarged UKCPT, Nicholas Tostevin will be paid £30,000 per annum in respect of his appointment as a non-executive director of the Enlarged UKCPT and Peter Niven will be paid £25,000 per annum in respect of his proposed appointment as a non-executive director of the Enlarged UKCPT.

The total fees receivable by the Directors, save as set out in this paragraph 6.1 and paragraph 6.3 of this Part 9, will not be varied as a result of the Proposals. None of the Directors or the Proposed Directors are eligible for bonuses, pensions, retirement or other similar benefits or share options.

6.2 None of the Directors have service contracts with the Company nor are any such contracts proposed. Each of Christopher Hill, Keith Dorrian, Christopher Fish, John Robertson and Andrew Wilson has entered into a letter of appointment with the Company dated 25 August 2006. The letters of appointment provide that after an initial period of service, which commenced on 24 August 2006 and expired at the first annual general meeting of the Company, the Directors' appointments and re-appointments are subject to the Articles from time to time (including those provisions for periodic retirement and early cessation). Each of the Proposed Directors will resign and stand for re-election at the annual general meeting in 2011, being the first annual general meeting after they join the Board. The Company has the right to terminate each appointment without compensation if the relevant Director is required to vacate office in accordance with the Articles and/or the Law and, subject thereto, the letters of appointment do not contain any contractual provisions regarding the compensation which would be payable upon early termination by the Company. None of the Directors receive any pension benefits from the Company, nor do they participate in any bonus or incentive schemes. Accordingly, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors. Mr Robertson's fee is payable to his employer, Ignis Investment Services Limited. The Company will also pay insurance premiums in respect of directors' and officers' insurance taken out on behalf of the Directors.

6.3 The total emoluments payable to the Directors will not be varied in consequence of the Proposals, save that, in recognition of the significant additional services provided by each of the Directors in relation to the Proposals, the Directors will in aggregate receive additional remuneration of up to £80,000 subject to and payable following the implementation of the Scheme.

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

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

6.6 As at the date of this document and immediately following Admission, other than as disclosed in paragraph 6.7 below, there are no interests of any Director, including any connected persons of any Director, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company or any options in respect of such capital.

6.7 (i) As at the date of this document, the interests of the Directors and the Proposed Directors, or their immediate families and related trusts, in the issued share capital of the Company (all of which are beneficial interests unless otherwise stated): (a) which are required to be notified to the Company pursuant to the Disclosure and Transparency Rules; or (b) being interests of a person connected (within the meaning given in the Disclosure and Transparency Rules) with a Director or a Proposed Director which would, if such connected person were a Director or a Proposed Director be required to be disclosed under (a) above and the existence of which was known to or could, with reasonable diligence, be ascertained by the Director or Proposed Director are as follows:

	Number of Ordinary Shares as at the date of this document	*Percentage of current issued Ordinary Shares*[(1)]
Christopher Hill	20,000	0.002%
Keith Dorrian	10,000	0.001%
Christopher Fish	10,000	0.001%
John Robertson	10,000	0.001%
Andrew Wilson	20,000	0.002%
John Stephen	Nil	Nil
Peter Niven	Nil	Nil
Nicholas Tostevin	Nil	Nil

Note:

(1) The percentages shown above are calculated after excluding the 41,445,142 Ordinary Shares held by the Company in treasury.

(ii) As at the date of this document, none of the Directors or Proposed Directors have any options over the share capital of the Company.

(iii) As at the date of this document, the Proposed Directors were interested in 107,363 FCPT Shares, representing 0.02 per cent. of FCPT's issued share capital and have no options over any of FCPT's Shares. Each of the Proposed Directors has indicated his intention to roll-over his entire investment in FCPT into New UKCPT Shares pursuant to the Scheme. None of the Directors other than the Proposed Directors have any interest in the FCPT Shares.

(iv) The interests of the Directors and the Proposed Directors, or their immediate families and related trusts, in the issued share capital of the Company (all of which are beneficial unless otherwise stated) immediately following the implementation of the Proposals will (based on the assumptions set out below) be:

Name	*Number of Ordinary Shares as at the date of this document*(1)	*Number. of New UKCPT Shares to be acquired under the Proposals*(2)	*Percentage of issued Ordinary Shares following the Issue and Admission*(1)(2)
Christopher Hill	20,000	Nil	0.001%
Keith Dorrian	10,000	Nil	0.0005%
Christopher Fish	10,000	Nil	0.0005%
John Robertson	10,000	Nil	0.0005%
Andrew Wilson	20,000	Nil	0.001%
John Stephen	Nil	51,714	0.003%
Peter Niven	Nil	52,633	0.003%
Nicholas Tostevin	Nil	26,635	0.001%

Notes:

(1) The percentages shown above are calculated after excluding the 41,445,142 Ordinary Shares held by the Company in treasury.
(2) In compiling the above table of interests it has been assumed that each of the FCPT Shareholders elects to roll-over their entire holdings of FCPT Shares into New UKCPT Shares pursuant to the Scheme and is issued 1.22 New UKCPT Shares for each FCPT Share held by them. In these circumstances, 830,255,143 New UKCPT Shares would be issued pursuant to the Scheme.

6.8 Details of those companies (other than the Company) and partnerships of which the Directors and Proposed Directors have been a member of the administrative, management or supervisory body or a partner, at any time during the five years immediately preceding the date of this document (apart from their directorships of the subsidiaries of any issuers of which the Directors or Proposed Directors are or have been members of the administrative, management or supervisory bodies) are as follows:

(i) *Christopher Hill*

Present directorships and partnerships:	Cazenove European Alpha Absolute Return Fund Limited, Cazenove European Equity Absolute Return Fund Limited, Close Fund Management Portfolios II PCC Limited, Continuum Capital (FP) Limited, Continuum Capital (GP) Limited, Continuum Capital (Initial GP) Limited, Corestate General Partner Limited, Dexion Commodities Limited, ELDeRS Investment Company Limited, Hemisphere Defensive HF PCC Limited, Horizon Fund PCC Limited, ING European Infrastructure (Guernsey General Partner) Limited, KKR Guernsey GP Limited, P123 (C.I.) (Investments) Limited, P123 (C.I.) Limited, P123 (Investments) Limited, P123 Limited, P1234 Investments Limited, P1234 Limited, Premier RENN Entrepreneurial Fund Limited, Prospect Asset Management (Channel Islands) Limited, Quorum Oil and Gas Technology Fund Limited, Sapphire (Investments) II Limited, Sapphire (PCC) Limited, Sapphire IV (Investments) Limited, Schroder Investment Management (Guernsey) Limited, Shareholders' Consensus Fund FTE Ltd, SVG Sapphire IV Limited, Thames River Multi Hedge PCC Limited, Unigestion (Guernsey) Limited, Unigestion Secondary Opportunity II (FP) Limited, Unigestion Secondary Opportunity II (GP) Limited, Uni-Hedge ICC Limited and UTI International Limited.
Past directorships and partnerships:	BRIX Global Investment Limited, CI Capital Limited, Copernicus Asset Management Limited, Defensive Strategies Fund Limited (The), Hemisphere Defensive HF (USD) Limited, Investec Capital Accumulator Trust Limited, Japan Special Opportunities Limited, KIC Value PCC Limited, London Asia Chinese Private Equity Fund Limited, Merrill Lynch FTSE100 Stepped Growth and Income Limited, Merrill Lynch International Capital Management (Guernsey) Limited, NIF Fund Holdings PCC Limited, Opportunities PCC

Limited, Paladin Investments Limited, Schroder India (Mauritius) Limited, SCMCT (India) Mauritius Limited, Unigestion International Limited, Unigestion Investments Limited, Uni-Hedge Global Equity PCC Limited, UTI India Fund Limited (The), Wafra Global Fund Limited, Wafra International Investment Management Limited and Wafra Small Cap Fund Limited.

(ii) *Keith Dorrian*

Present directorships and partnerships: AB Alternative Strategies PCC Limited, AB International Fund PCC Limited, Arab Bank Fund Managers (Guernsey) Limited, CS Opportunities Alternative Strategies Limited, ELVEN Investments Limited, Eagle & Dominion Growth Fund Limited, Eagle & Dominion Limited, Eurocastle Investments Limited, GTA University Centre Limited, Hermes Commodities Umbrella Fund Limited, HCIF Index Sub Fund Limited, IDFC General Partner Limited, IIAB PCC Limited, International Public Partnerships Limited, KAN Consulting Limited, MasterCapital Fund Limited, Montier Multi-Strategy Fund of Funds Limited, Montier Long Short Equity Fund of Funds Limited, Montier Asset Management Limited, Montier Multistrategy Master Fund, Montier Multi Strategy Closed End Fund of Funds Limited, Strategic Investment Portfolio Umbrella Limited and Third Point Offshore Investors Limited.

Past directorships and partnerships: AB Asia Pacific Growth Fund Limited, ACUS (Channel Islands) Limited, Ashmore Management Company (Guernsey) Limited, Asset Holder PCC No 2 Limited, CitiRoad PCC Limited, Danube Property Company Limited, FPP Asia Pacific Fund Limited, HSBC Global Absolute Limited, Hermes Absolute Return Fund (Guernsey) Limited, Jade General Partner Limited and Total Return Alternative Strategies Limited.

(iii) *Christopher Fish*

Present directorships and partnerships: Blenheim Fiduciary Group Ltd, Boussard & Gavaudan Holdings Ltd, Close Bank Guernsey Limited, Close Fund Services Ltd, Close International Asset Management Holdings Limited, Close International Bank Holdings Limited, CMA Global Hedge PCC Limited, Henderson Financial Opportunities Fund Ltd, Heritage Insurance Brokers Ltd, Iceni Ltd, Loudwater Trust Ltd, Louvre Fiduciary Group Ltd, Morant Wright Japan Income Trust Ltd, Parkway Administration Guernsey Ltd, Sirius Real Estate Limited, Third Point Offshore Investors Limited and Vision Opportunity China Fund Limited.

Past directorships and partnerships: Harelequin Insurance PCC Ltd, Mannequin Insurance PCC Ltd, Polygon Insurance PCC (Guernsey) Ltd, Prodesse Investment Ltd and the Advantage Property Income Trust Ltd.

(iv) *John Robertson*

Present directorships and partnerships: Ignis Agency Management Limited, Ignis Alternative Funds plc, Ignis International Funds plc, Ignis Strategic Solutions Funds plc, Scottish Mutual International Fund Managers Limited, Scottish Mutual International Fund Manager (South Africa) (Proprietary) Limited, Scottish Mutual International Investment Fund plc, Ignis Liquidity Fund plc, Ignis Capital Limited, Ignis Group Limited, Axial Investment Management Limited and Ignis Investment Managers Limited.

Past directorships and partnerships: Britannic World Markets Fund Limited, Britannic World Markets Fund Limited, Resolution World Sector Master Fund Limited, Resolution World Sector Fund Limited, Ignis No 1 Limited, Ignis No 2 Limited, Ignis No 3 Limited, Ignis No 4 Limited, Ignis No 5 Limited and Ignis No 6 Limited.

(v) *Andrew Wilson*

Present directorships and partnerships: Abbey Business Park Limited, Abbey Property Holdings Limited, Alexfleet Limited, Arianwell Limited, Centrahill Limited, Chartsymbol Limited, Cherabrook Limited, Cheradene Limited, Chessmar Limited, City Lands Investment Corporation Limited, Clerkenwell Estates Limited, Clerkenwell Properties Limited, Corebrook Limited, Coreday Limited, Crimpoint Properties Limited, Darowood Limited, Darowell Properties Limited, Delseen Limited, Demrabell Limited, Demramoor Limited, Dormcare Limited, Dormfast

Properties Limited, Ediondale Limited, Edionwood Limited, Evanmanor Limited, Fildmoor Limited, Fildwood Limited, Floatrace Limited, Forestcity Limited, Garrick Street Properties Limited, JRPA Estates Limited, Giltrange Limited, Iconic Space Limited, ICP Properties Limited, Jewelwood Limited, JRPA Properties Limited, Rugby Hotels Limited, London Industrial Partnership Limited, LIP Larkhall Limited, M4 Estates Limited, M4 Development Limited, Madlworth Limited, Menadorm Limited, Menavale Limited, O Twelve Properties Limited, Ovalbrick, Pethertone Limited, Petherward Limited, Portenstar Limited, Portenway Limited, Rugby Asset Management Limited, Rugby CGLP Limited, Reedrace Limited, REGP Limited, Rendour Limited, Rugby Estates Plc, REPESOP Limited, Ronaform Limited, Ronahall Limited, Rugby Union Estates Limited, Rugby Capital Limited, Salomview Properties Limited, Sloneplan Limited, Spring 1179 Limited, Ventroway Limited, WC2 Estates Limited and WC2 Properties Limited.

Past directorships and partnerships: Selbourne Court Management Company Ltd, Crimpoint Estates Limited, Crimpoint Developments Limited, Espindale Properties Limited, Espinday Limited, Melorgate Limited, Melorport Limited, Heltdale Limited, Heltplan Limited, Laminglade Limited, Laminpark Limited, Estrohill Limited, Estroway Limited, Heskglen Limited, Heskcrest Limited, Arwinbell Limited, Arwinview Properties Limited and Covent Garden Estates Ltd.

(vi) *John Stephen*

Present directorships and partnerships: Capital 44 LLP, Downe House School, Elizabeth Finn Care, Elizabeth Finn Homes Limited, F&C Commercial Property Finance Limited, F&C Commercial Property Trust Limited, Max Property Group plc and The Portman Estate.

Past directorships and partnerships: Age Concern Westminster, Age Concern Enterprises (Westminster) Ltd, BPF Commercial Limited, British Property Federation, Brightsea EPH Limited, British Property Federation (Europe) Limited, Evans Management Limited and Jones Lang La Salle Limited.

(vii) *Peter Niven*

Present directorships and partnerships: ABTA Insurance PCC Limited (formerly known as ABTA Travel Agents Insurance Company Limited), Close European Accelerated Fund Limited, Dexion Trading Limited, F&C Commercial Property Finance Limited, F&C Commercial Property Trust Limited, Jaguar Capital Guernsey Limited, Phaunos Timber Fund Limited, PSD SPV 2 Inc (Delaware Company), PSource Structured Debt Limited, Resolution Limited, Resolution Holdings (Guernsey) Limited, and Thortonhall Limited.

Past directorships and partnerships: ABTA Guernsey Limited (formerly known as ABTA Insurance Company (Guernsey) Limited) and Investec Capital Accumulator Trust Limited.

(viii) *Nicholas Tostevin*

Present directorships and partnerships: Acromas Reinsurance Company Limited, Broadsword Investments Limited, Burford Group Limited, Carillion Insurance Company Limited, Connaught Insurance Company Limited, Court Row Limited, F&C Commercial Property Trust Limited, F&C Commercial Property Finance Limited, Gottex Market Neutral Trust Limited, Great Grapes Limited, ING European Infrastructure (General Partner Guernsey) Limited, JCB Insurance Company Limited, Leagles Limited, The AUB Emerging Markets Real Estate Fund Limited, The UBK European Property Company Limited, Voyager Insurance Company Limited, AUB UK Student Accomodation Company Limited and AUB UK SA Limited.

Past directorships and partnerships: Babbé, Babbé Le Pelley Tostevin, Alcinous Insurance Company Limited, Behbehani Investments Limited, Belmont Assets Limited, Bulldog Insurance Company Limited, Clarges Insurance Limited, JN Limited, Magic Holdings Limited, New Street Realty Limited, New Street Realty No 2 Limited, Quill Trust Company Limited, Solitude Limited, The AUB Financial Dislocation Fund Limited, The Friends Provident Commercial Property Company Guernsey Limited (formerly The AUB Commercial Property Company Limited), The UBK Residential Property Company Limited, The UBK Islamic Property Company Limited and UBK Asset Management (Guernsey) Limited.

6.9 As at the date of this document none of the Directors or the Proposed Directors:

(a) has been a member of any administrative, management or supervisory body or partner of any company or partnership at any time during the five years preceding the date of this document, save as disclosed in paragraphs 6.8, 6.10 and 6.11;

(b) has had any convictions in relation to fraudulent offences for at least the previous five years;

(c) save as disclosed in paragraphs 6.10 and 6.11 below, has been the subject of any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or a partner of the companies and/or partnerships referred to in paragraph 6.8 above for at least the previous five years; or

(d) has any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years (for this purpose "issuer" has the meaning ascribed to it by Appendix I to the Prospectus Rules).

6.10 Christopher Hill was a non-executive director of BRIX Global Investments Limited, Defensive Strategies Fund Limited (The), Hemisphere Defensive HF (USD) Limited, KIC Valve PCC Limited, Merrill Lynch FTSE 100 Stepped Growth and Income Limited, Opportunities PCC Limited, Paladin Investments Limited, Schroder India (Mauritius) Limited, SCMCT (India) Mauritius Limited, Wafra Global Fund Limited and Wafra Small Cap Fund Limited, all of which were the subject of solvent winding ups at the end of their scheduled lives.

6.11 Peter Niven and Christopher Hill were both directors of Investec Capital Accumulator Trust Limited which was placed into members' voluntary liquidation on 30 April 2010.

6.12 Save for the potential conflict of interest between Mr Robertson's duties as an employee of the Investment Manager and his duties as a Director, there are no potential conflicts of interest between any duties of the Directors or the Proposed Directors to the Company and their private interests and/or other duties. All of the Directors and the Proposed Directors, other than Mr Robertson, are independent of the Investment Manager and any other company in the same group of companies as the Investment Manager.

7. Substantial share interests

As at 8 July 2010, the total voting rights attributable to the Ordinary Shares were 1,197,348,858, and, on the basis of the assumptions set out below and following implementation of the Scheme, will be 2,027,604,001 and the notifiable holding of voting rights in respect of Ordinary Shares, so far as known by the Company by reference to notifications made pursuant to Chapter 5 of the Disclosure and Transparency Rules, were as follows:

	Number of Ordinary Shares as at the date of this document	*Percentage of current issued Ordinary Shares*(1)	*Number of New UKCPT Shares to be acquired under the Proposals*(2)	*Percentage of issued Ordinary Shares following Admission*(1)(2)
Phoenix Life Limited	463,907,841	38.7%	134,116,671	29.5%
Phoenix & London Assurance Limited	328,857,470	27.5%	nil	16.2%
Investec Asset Management	60,959,792	5.1%	nil	3.0%
State Street Nominees	48,078,000	4.0%	nil	2.4%
Nortrust Nominees	40,071,000	3.3%	nil	2.0%
Friends Provident Life and Pensions Limited	10,395,000	0.87%	213,619,642	11.0%
Friends Provident Life Assurance Limited	5,355,000	0.45%	64,919,947	3.5%

Notes:

(1) The percentages shown above are calculated after excluding the 41,445,142 Ordinary Shares held by the Company in treasury.

(2) In compiling the above table of interests it has been assumed that all of the FCPT Shareholders (including Phoenix and Friends Provident) elect to roll-over their entire holding of FCPT Shares into New UKCPT Shares pursuant to the Scheme and are issued 1.22 New UKCPT Shares for each FCPT Share held by them. In these circumstances, 830,255,143 New UKCPT Shares would be issued pursuant to the Scheme. We have assumed, for the above table of interests, that PALAL, Investec Asset Management, State Street Nominees and Nortrust Nominees do not hold any FCPT Shares

Save as described above, the Company is not aware of any person who is as at 8 July 2010 or, following the Issue, will be interested directly or indirectly in 3 per cent. or more of any class of issued share capital of the Company or of any person or persons who, following the Issue, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

Details of the arrangements in place with Phoenix, PALAL and the Company in relation to the exercise of the voting rights attached to their Ordinary Shares are set out at paragraph 8.1.5 of this Part 9.

8. Material contracts

8.1 *UKCPT Group*

The following contracts (not being contracts entered into in the ordinary course of business), have been entered into by members of the UKCPT Group: (i) within the two years immediately preceding the date of this document and are, or may be, material to the UKCPT Group; or (ii) which contain provisions under which any member of the UKCPT Group has any obligation or entitlement which is, or may be, material to the UKCPT Group as at the date of this document.

8.1.1 The Investment Management Agreement pursuant to which the Investment Manager is appointed to act as investment manager of the UKCPT Group, to manage the assets of the UKCPT Group in accordance with the investment policy of the Company and to implement the borrowing policy from time to time approved by the Directors. Under the terms of the Investment Management Agreement, subject to the overall supervision of the Directors and certain transactional limits as set by the Board from time to time, the Investment Manager has discretion to buy, sell, retain, exchange or otherwise deal in property assets for the account of the UKCPT Group. Under the terms of the Investment Management Agreement, the Investment Manager has also agreed to provide certain administrative services to the UKCPT Group. The Investment Manager shall be entitled to receive an annual fee from the Company at the rate of 0.75 per cent. of the Total Assets less the amount of the Group's borrowings, an annual fee from the Company of 50 per cent. of the value of the assets of the UKCPT Group represented by borrowings (subject to the amendments referred to in paragraph 8.1.2 of this Part 9) plus an administration fee of £107,670 per annum currently (increased annually in line with inflation), payable quarterly in arrears. The fees of any property managers or managing agents appointed by the Investment Manager will be payable by the Investment Manager out of this fee. The Investment Manager rebates any commissions in respect of insurance put in place by it on behalf of the UKCPT Group. The Investment Manager is entitled to delegate any of its duties under the Investment Management Agreement to its associates. Under the terms of the Investment Management Agreement, the Investment Manager has agreed to act in good faith and with the reasonable skill and diligence expected of a competent and prudent property investment manager and to act in the best interests of the UKCPT Group. The Investment Management Agreement contains an unlimited indemnity in favour of the Investment Manager against claims by third parties except to the extent that the claim is due to a breach by the Investment Manager of the Investment Management Agreement or to the negligence, wilful default or fraud of the Investment Manager or any party to whom the Investment Manager has delegated any of its functions. The Investment Management Agreement may be terminated by any party giving to the others not less than 12 months' notice or otherwise forthwith in circumstances, *inter alia*, where one of the parties has a receiver appointed over its assets or if an order is made or an effective resolution passed for the winding up of one of the parties or if the Investment Manager is the subject of a change of control.

8.1.2 The Supplemental Investment Management Agreement dated 12 July 2010 amending the terms of the Investment Management Agreement subject to and with effect from implementation of the Scheme. Under the terms of the Supplemental Investment Management Agreement, the parties have agreed to exclude the management of the assets of the FCPT Secured Group from the terms of the Investment Management Agreement (and the assets of the FCPT Secured Group will be managed pursuant to the agreement referred to in paragraph 8.2.2 of this Part 9). The Investment Manager has also agreed to reduce its annual basic management fee from the Company to 0.60 per cent. per annum on the Total Assets less Borrowings of the Enlarged UKCPT plus 0.50 per cent. per annum on the Borrowings of the Enlarged UKCPT less a reduction in the basic fees on Total Assets to 0.25 per cent. per annum on any cash held by the Enlarged UKCPT in excess of 5 per cent. of its gross assets.

8.1.3 A placing letter from the Company to the Investment Manager dated 19 January 2010 and a side letter to the Investment Management Agreement between the Company and the Investment Manager dated 20 January 2010 pursuant to which the Company agreed to pay the Investment Manager: (i) a commission of 0.85 per cent. of the gross proceeds of the subscription by PALAL for Ordinary Shares pursuant to the 2010 Placing and Offer; and (ii) an additional fee of £250,000 on completion of the 2010 Placing and Offer in recognition of the additional services provided by the Investment Manager in relation thereto. These fees were paid by the Company to the Investment Manager on 24 February 2010 and 16 March 2010 respectively.

8.1.4 A side letter to the Investment Management Agreement between the Company and the Investment Manager dated 1 October 2009 pursuant to which the Company agreed to pay the Investment Manager an additional fee of £250,000 on completion of the acquisition of a portfolio of UK commercial properties by the Company in recognition of the significant additional time spent and resource dedicated by the Investment Manager in relation to this acquisition. This fee was paid by the Company to the Investment Manager on 7 December 2009.

8.1.5 By a relationship agreement dated 12 July 2010, Phoenix and PALAL have each irrevocably undertaken to the Company that, at any time or times when Phoenix and PALAL, together with their Associates, are entitled to exercise, or to control the exercise of, 30 per cent. or more of the rights to vote at general meetings of the Company, they will not, and will exercise such rights as they may have to procure that none of their Associates will:

(a) seek to nominate directors to the Board who are not independent of Phoenix Group or its Associates, save that they shall be permitted to nominate one director to the Board (and replace such nominee) that is not independent of Phoenix Group or its Associates;

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

(c) take any action which may result in the Investment Manager or any Associate which acts as the investment manager of the Company not being able to carry out its duties under the Investment Management Agreement independently of Phoenix Group or its Associates at all times;

(d) take any action which may result in the directors of the Company from time to time not being able to fulfil their duties as directors of the Company independently of Phoenix Group or its Associates at all times or the Company not being able to carry on its business independently of Phoenix Group or its Associates at all times; or

(e) permit Phoenix Group or its Associates to enter into any transaction or relationship with the UKCPT Group other than at arm's length and on a normal commercial basis.

8.1.6 On 8 June 2010, Friends Provident, Phoenix and PALAL gave FCPT and the Company irrevocable undertakings to vote in favour of any shareholder meeting resolutions, other than resolutions to be approved by Independent Shareholders, that are proposed by FCPT to approve and implement the Scheme and by the Company to implement the Scheme and any matters ancillary to the Scheme so far as they relate to the Company (including any approval required in respect of the Phoenix Subscription). Friends Provident and Phoenix have also irrevocably undertaken to receive New UKCPT Shares under the Scheme in respect of their investment in FCPT and not to elect for the Cash Option (PALAL does not hold any FCPT Shares). The undertakings given by Friends Provident are in respect of 228,311,140 FCPT Shares, representing approximately 33.55 per cent. of the issued FCPT Shares, and a total of 15,750,000 UKCPT Shares, representing approximately 1.32 per cent. of the issued UKCPT Shares with voting rights. The undertakings given by Phoenix and PALAL are in respect of 109,931,698 FCPT Shares, representing approximately 16.15 per cent. of the issued FCPT Shares, and a total of 792,765,311 UKCPT Shares, representing approximately 66.21 per cent. of the issued UKCPT Shares with voting rights. These undertakings will cease to apply if the Scheme has not become effective by 28 October 2010 (or such later time as may be agreed by Friends Provident, Phoenix and PALAL).

8.1.7 By a facility agreement dated 19 June 2008 made between, among others, Lloyds (in various capacities) (1) and the Company (2), Lloyds (in various capacities) has agreed to make available a revolving loan facility of up to £80 million. Interest is payable by the Company at a rate equal to the aggregate of LIBOR, mandatory costs of Lloyds and a margin. The applicable margin depends on the percentage of all loans made available to the Company (under the Lloyds Facility or any parallel loans provided to a member of the UKCPT Group which ranks *pari passu* with the Lloyds Facility) to the "Gross Assets Value", expressed as a percentage (the "LTV Percentage"). "Gross Assets Value" takes into account the value of the properties and any other assets held by the Company and the Guarantors (currently UK Commercial Property Holdings Limited, UK Commercial Property Nominee Limited, UK Commercial Property Limited, UK Commercial Property GP Limited and UKCPT Limited Partnership) as well as unsecured cash. If the LTV percentage is 5 per cent. or less, the margin is 0.50 per cent. per annum. If the LTV Percentage is greater than 5 per cent. and does not exceed 10 per cent., the margin is 0.55 per cent. per annum. If the LTV Percentage is greater than 10 per cent. and does not exceed 40 per cent., the margin is 0.60 per cent. per annum. If the LTV Percentage is greater than 40 per cent. and does not exceed 50 per cent., the margin is 0.70 per cent. per annum.

A non-utilisation fee of 0.20 per cent. per annum is payable on any undrawn amounts under the Lloyds Facility. Amounts can be drawn down under the Lloyds Facility at any time until, and the Lloyds Facility is repayable on, any date the Company chooses up to 19 June 2015. The Company may, if it gives Lloyds not less than 10 business days' prior notice, prepay the whole or any part of the Lloyds Facility (but any prepayment in part must be of an amount that reduces the Lloyds Facility by a minimum amount of £1 million).

The Lloyds Facility Agreement contains financial covenants which require the Company to comply with financial tests to ensure that: (i) the LTV Percentage does not exceed 50 per cent.; and (ii) the adjusted net rental income is not less than 175 per cent. of the amount of interest payable under the Lloyds Facility Agreement over the period the adjusted net rental income is calculated.

The Lloyds Facility Agreement also contains certain other covenants which, amongst other things, cover restrictions on: (i) the creation of security (with permitted exceptions); (ii) other financial indebtedness (with permitted exceptions); (iii) the disposal of assets (with permitted exceptions); (iv) mergers; and (v) change of business. It also contains customary events of default upon the occurrence of which Lloyds may terminate and demand repayment of all amounts outstanding under the Lloyds Facility Agreement. No consents are required from Lloyds under the Lloyds Facility Agreement to implement the Proposals.

The Lloyds Facility is secured by floating charges over the assets of certain members of the UKCPT Group. Under the Lloyds Facility Agreement, the Company is permitted to purchase its own shares without requiring Lloyds's consent provided that it can demonstrate that after such redemption the LTV Percentage will continue to be below 50 per cent.

8.1.8 The Company and FCPT entered into the Implementation Agreement on 8 June 2010 setting out the undertakings given by the Company and FCPT to each other committing to carry out certain steps for the purpose of implementing the FCPT Scheme, including provisions to implement the Scheme on a timely basis and governing the conduct of the business of each of the Company and FCPT in the period prior to the Effective Date. The Implementation Agreement also provides for the sharing of abortive costs of the transaction in proportion to the Company's and FCPT's respective net assets as at 31 March 2010.

The Implementation Agreement terminates in certain circumstances, including:

(i) immediately, if agreed in writing by the parties;

(ii) immediately, if the Effective Date has not occurred by 28 October 2010;

(iii) immediately, on the earliest to occur of the date (if any) on which the Scheme is withdrawn or lapses and the Effective Date; and

(iv) immediately, if the resolutions at the EGM and the FCPT EGM are not passed by the requisite majority of Shareholders and FCPT Shareholders respectively.

8.1.9 Phoenix and the Company entered into the Phoenix Subscription Agreement on 8 June 2010, pursuant to which Phoenix has agreed, conditional on the Scheme becoming effective, to subscribe for up to £130 million in New UKCPT Shares to fund partially the Cash Option, with a minimum commitment of £88 million, if required, in New UKCPT Shares. Such New UKCPT Shares will be issued at a price equivalent to the discount or premium to the UKCPT FAV as at 30 June 2010 that 91p per share is to the FCPT FAV as at 30 June 2010 as calculated for the purposes for the Scheme. Under the Phoenix Subscription Agreement: (i) the first £50 million of cash required by the Company to satisfy elections under the Cash Option will be funded as to 50 per cent. by the subscription for New UKCPT Shares by Phoenix (with the balance satisfied by the Company using its existing cash resources and cash reserves); (ii) if the amount of cash required by the Company to satisfy elections for the Cash Option is more than £50 million, Phoenix has the option as to whether it subscribes for further New UKCT Shares to fund elections in respect of up to the next £42 million of funds required (or whether the Company should use its existing cash resources and cash reserves to do so); and (iii) any cash required by the Company to satisfy elections for the Cash Option in excess of £92 million will be funded by the subscription for further New Ordinary Shares by Phoenix, provided that the aggregate amount to be subscribed by Phoenix for New UKCPT Shares would not exceed £130 million. No underwriting commission will be payable by the Company to Phoenix in respect of its subscription commitment.

8.1.10 By a letter of undertaking dated 12 July 2010 from the Company to FCPT and the Liquidator, the Company has irrevocably undertaken, in connection with the Scheme, to enter into a Transfer Agreement between the Company, the Liquidator (in their personal capacity and on behalf of FCPT) and FCPT as soon as is practicable on the Effective Date, pursuant to which part of the undertaking and assets of FCPT will be transferred to the Company in consideration for the issue of New UKCPT Shares to FCPT Shareholders who elect to roll-over their investment into New UKCPT Shares and the payment of cash by the Company to fund the Cash Option plus an amount estimated by the Liquidator to be sufficient to meet the actual and contingent liabilities of FCPT. Under the Transfer Agreement, each of the parties will undertake to use its or his respective reasonable endeavours to implement the Scheme, provided that the conditions to the Transfer Agreement have been satisfied. Under the terms of the Transfer Agreement, the Company will agree to indemnify and hold harmless each of FCPT and the Liquidator, in terms customarily given in an agreement of this nature, against any and all liabilities of FCPT, to the extent that the amount estimated by the Liquidator to be sufficient to meet the liabilities of FCPT (the "Liabilities Amount") (which is to be paid by the Company as part of the cash consideration payable to FCPT pursuant to the Scheme) is insufficient to meet the liabilities of FCPT (including liabilities owed jointly and severally but excluding the entitlements of holders of FCPT Shares who have elected for the Cash Option). However, neither FCPT nor the Liquidator is entitled to the benefit of this indemnity: (i) in respect of liabilities of FCPT which are neither (a) costs and expenses of FCPT relating to the Scheme nor (b) liabilities which were accrued in the calculation of the FCPT FAV prepared in accordance with the Scheme; (ii) in respect of costs and expenses of FCPT relating to the Scheme to the extent that the aggregate amount of such costs and expenses exceeds £1.65 million; or (iii) to the extent that (save where the relevant amount has been repaid to the Company) any of the Liabilities Amount should have been used to meet the actual and contingent liabilities of the Company and has not been so used.

8.2 *FCPT Group*

The following contracts (not being contracts entered into in the ordinary course of business), have been entered into by members of the FCPT Group: (i) within the two years immediately preceding the date of this document and are, or may be, material to the FCPT Group; or (ii) which contain provisions under which any member of the FCPT Group has any obligation or entitlement which is, or may be, material to the FCPT Group as at the date of this document.

8.2.1 An agreement dated 5 June 2009 between FCPT (1) and F&C (2) under which F&C provides management services to FCPT and any further subsidiaries incorporated outside the FCPT Secured Group and an agreement dated 4 March 2005 (as novated on 16 February 2007 and amended on 5 August 2008 and 5 June 2009) to which FCPT Property Subsidiary (1), FCPT Holdings (2) and F&C (3) are party under which F&C provides management services to the FCPT Secured Group (both agreements together being referred to as the "FCPT Investment Management Agreements"). Pursuant to the FCPT Investment Management Agreements, F&C is appointed to act as investment manager of the FCPT Group, to manage the assets of the FCPT Group in accordance with the investment policy of the FCPT Group or any part of it, as relevant and to implement the borrowing policy from time to time of the FCPT Group or any part of it as relevant. Under the terms of the FCPT Investment Management Agreements, subject to the overall supervision of and directions from the FCPT Directors, F&C has discretion to buy, sell, retain, manage, lease, exchange or otherwise deal in property assets and indirect property related assets of the FCPT Group. Under the terms of the FCPT Investment Management Agreement, F&C has also agreed to provide certain administrative services to the FCPT Group.

Under the FCPT Investment Management Agreements, F&C receives an aggregate base management fee from the FCPT Group, payable quarterly in arrears, in an amount equal to 0.15 per cent. per quarter of the total assets at the relevant valuation date not represented by net current assets and 0.0625 per cent. per quarter of that part of the total assets at the relevant valuation date as is represented by net current assets. F&C is also entitled to a performance fee equal to 20 per cent. of the amount by which the total return (whether positive or negative) on the directly held properties of the FCPT Group exceeds 110 per cent. of the total return (90 per cent. if the total return is negative) on the benchmark and multiplied by the FCPT Group's average total assets over the relevant performance period (excluding any indirect property funds or listed investments of the FCPT Group). The benchmark for measuring the comparative performance of directly held properties is the total return of the IPD All Quarterly and Monthly Funds Index. The performance fee payable in respect of the relevant financial year is capped at an amount which, when added to the aggregate base management fee payable in each financial year, equals 1.0 per cent. of the average total assets during the relevant financial year. Performance fees in excess of this capped return can be carried forward for up to two subsequent financial years subject to the 1.0 per cent. cap. The performance fee is measured over a rolling three year period and the performance fee payable in respect of any one financial year is equal to the total performance fee earned over that three year period less any performance fees already paid in the previous two years. In the event that the amount already paid in the previous two years is in excess of the amount earned over the rolling three year period, such excess shall be repaid to the FCPT Group by F&C.

F&C is also entitled to an administration fee of £112,000 per annum currently (which increases annually in line with inflation), payable quarterly in arrears. The fees of any managing agents appointed by F&C will be payable by F&C out of its fees.

The FCPT Investment Management Agreements may be terminated by any party giving to the other not less than six months' notice, or otherwise forthwith in circumstances, *inter alia*, where F&C has a receiver appointed over its assets or if an order is made or an effective resolution passed for the winding up of F&C or if F&C or any holding company or undertaking of F&C is the subject of any change of control which has not been consented to by the Board or if F&C commits a material breach of its obligations under the FCPT Investment Management Agreements. The FCPT Investment Management Agreements may also be terminated by the FCPT Group on less than six months' notice upon payment of compensation to F&C. In the event of the termination of the FCPT Investment Management Agreements for any reason, the Company shall be obliged to use its reasonable endeavours to change its name to a name not including the word "F&C" or any letters or words colourably or confusingly similar thereto.

F&C has agreed to delegate the property management function under the FCPT Investment Management Agreement to F&C REIT Property Asset Management Limited. The FCPT Group consented to the delegation on 3 September 2008. The delegation is without prejudice to any rights of the FCPT Group against F&C under the FCPT Investment Management Agreements.

On 9 June 2010, the FCPT Group served notice of termination of F&C under the FCPT Investment Management Agreements, with effect from the Effective Date.

8.2.2 An agreement dated 12 July 2010 between FCPT Holdings, the FCPT Property Subsidiary and Ignis under which, subject to and with effect from implementation of the Scheme, Ignis has agreed to provide management services to the FCPT Secured Group. Under this agreement, FCPT Holdings agrees to pay or procure that the FCPT Property Subsidiary pays a *pro rata* share of the fees payable by the Company to Ignis under the Investment Management Agreement (in lieu of such payment by the Company to Ignis thereunder). This agreement is substantially on the same terms as the agreement pursuant to which management services are currently provided to the FCPT Secured Group (save that a *pro rata* share of the revised management fees set out in the Supplemental Investment Management Agreement shall be payable) and may be terminated, *inter alia,* by notice in writing to Ignis without liability for compensation if the appointment of Ignis pursuant to the Investment Management Agreement is terminated.

8.2.3 By a letter dated 4 June 2009, Friends Provident plc has irrevocably undertaken to FCPT that at any time or times when Friends Provident together with its associates are entitled to exercise, or to control the exercise of, 30 per cent. or more of the rights to vote at general meetings of FCPT, it will not and will exercise such rights as it may have to procure that none of its associates will:

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

(ii) take, in Friends Provident plc's or its Associates' capacity as beneficial holders of any Ordinary Shares, any action which would be detrimental to the general body of Shareholders;

(iii) take any action which may result in F&C or F&C REIT Property Asset Management Limited or FCPT or any of the Directors of FCPT not being able to carry out its or their duties independently of Friends Provident plc or any of its Associates (provided that this obligation shall cease to be applicable to F&C and/or F&C REIT Property Asset Management Limited to the extent that either ceases to be part of the FP Group); or

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

For these purposes, any action which has the support or recommendation of a majority of the FCPT Directors, or voting by Friends Provident plc or its Associates at any general meeting convened by the FCPT Directors, shall be deemed not to be detrimental.

8.2.4 On 8 June 2010, Phoenix, PALAL, Friends Provident Life and Pensions Limited and Friends Provident Life Assurance Limited gave the Company and FCPT irrevocable undertakings to vote in favour of the Scheme and not to elect for the Cash Option, further details of which are set out in paragraph 8.1.6 of this Part 9.

8.2.5 The Company and FCPT entered into the Implementation Agreement on 8 June 2010, further details of which are set out in paragraph 8.1.8 of this Part 9.

8.2.6 By a letter of undertaking dated 12 July 2010 from FCPT to the Company and the Liquidator, FCPT has irrevocably undertaken, in connection with the Scheme, to enter into the Transfer Agreement, further details of which are set out in paragraph 8.1.10 of this Part 9.

8.2.7 Pursuant to the terms of a facility agreement dated 18 March 2005 between, *inter alios*, FCPT Holdings (1) and the Bond Issuer (2) (the "Bond Facility Agreement"), the Bond Issuer made available to FCPT Holdings a term loan facility of £230 million. Interest is payable by FCPT Holdings at a rate equal to the interest rate payable on the Bonds. The amounts advanced under the Bond Facility Agreement are repayable on 30 June 2017 (but are expected to be repaid in full on 30 June 2015).

If a Loan Event of Default (as defined in the Bond Facility Agreement) was triggered the amounts advanced under the Bond Facility Agreement would be repayable immediately upon demand. The Bond Facility Agreement contains a number of Loan Events of Default and covenants relating to the solvency of the FCPT Secured Group, the nature of the FCPT Property Portfolio, the gearing of the FCPT Secured Group and the interest cover. A Loan Event of Default will be triggered if, *inter alia* (i) the amount of the loan facility exceeds 40 per cent. of the value of the assets of the FCPT Secured Group (which does not include the SCP Secured Group) secured pursuant to the security granted in accordance with the terms of the Bond Facility Agreement (the "Gross Secured Assets"); (ii) the amount of all borrowings of the FCPT Secured Group exceed 50 per cent. of the value of the Gross Secured Assets; or (iii) if the net rental income of the FCPT Property Portfolio held by the FCPT Secured Group less certain operating costs should fall below 1.5 times the amount of interest payable under the Bond Facility Agreement over the period the net rental income is calculated. A Loan Event of Default under the Bond Facility Agreement will also be triggered if an event of default occurs in respect of the Bonds. The events of default in respect of the Bonds relate, *inter alia*, to the Bond Issuer's payment obligations in respect of the Bonds and the solvency of the Bond Issuer.

Dividends may only be paid to the extent that the net rental income of the FCPT Property Portfolio held by the FCPT Secured Group in both the period: (i) six months prior to the proposed dividend payment date; and (ii) six months following the proposed dividend payment date less certain operating costs and the amount of the proposed dividend do not fall below 2.0 times and, after deduction of the proposed dividend, do not fall below 1.75 times the amount of interest payable under the Bond Facility Agreement over such period.

The amount advanced under the Bond Facility Agreement is secured by fixed and floating charges over the assets of FCPT Holdings and the FCPT Property Subsidiary granted pursuant to a security trust deed, certain deeds of charge, a Belgian law pledge over an interest service account located in Belgium and related security documentation. In terms of the security trust deed, the members of the FCPT Secured Group (but not FCPT and any subsidiaries incorporated by FCPT outside the FCPT Secured Group) are prohibited from granting any security over their assets other than that in favour of The Bank of New York in its capacity as security trustee without the prior consent of The Bank of New York.

Moody's has confirmed that it will not downgrade the Bonds as a result of the proposed change of investment manager.

8.2.8 By a facility agreement dated 25 June 2010 made between, among others, Barclays (in various capacities) (1), SCP Holdings (2) and SCP Estate (3), Barclays has agreed to make available an investment term loan facility of up to £50 million. The interest payable under the Barclays Facility has been fixed through an interest rate swap at an aggregate interest rate of 4.88 per cent. per annum for the full term of the facility, including the margin.

No further amounts can be drawn down under the Barclays Facility and the Barclays Facility is repayable on 28 June 2017. SCP Holdings may, if it gives Barclays not less than 10 business days' prior notice, prepay the whole or any part of the Barclays Facility (but any prepayment in part must be of an amount that reduces the Barclays Facility by a minimum amount of £500,000). If such prepayment is made pursuant to a refinancing of the Barclays Facility by a person or persons other than Barclays, or utilising funds made available to SCP Holdings by a member of the group of companies of which it forms part (other than SCP Estate), SCP Holdings requires to pay to Barclays a prepayment fee. If the prepayment occurs on or prior to 27 June 2011, the prepayment fee is 1.00 per cent. of the amount prepaid. If the prepayment occurs between 28 June 2011 and 27 June 2012 (inclusive), the prepayment fee is 0.50 per cent. of the amount prepaid. If the prepayment occurs between 28 June 2012 and 27 June 2013 (inclusive), the prepayment fee is 0.25 per cent. of the amount prepaid.

The Barclays Facility Agreement contains financial covenants which require SCP Holdings to comply with financial tests to ensure that: (i) the net rental income received expressed as a percentage of the aggregate amount payable under the Barclays Facility Agreement (and related documents), for the period of three months up to and including the relevant test date (taking into account any monies standing to the credit of certain blocked accounts) is at least 140 per cent.; (ii) the projected net rental income to be received expressed as a percentage of the aggregate amount payable under the Barclays Facility Agreement (and related documents), for the period of 12 months beginning on the relevant test date (taking into account any monies standing to the credit of certain blocked accounts) is at least 140 per cent.; and (iii) the principal amount of the Barclays Facility (taking into account any monies standing to the credit of certain blocked accounts) as a percentage of the market value of the properties at St. Christopher's Place Estate does not exceed 60 per cent.

The Barclays Facility Agreement also contains certain other covenants which, amongst other things, cover restrictions on: (i) the creation of security (with permitted exceptions); (ii) other financial indebtedness (with permitted exceptions); (iii) the disposal of assets (with permitted exceptions); (iv) mergers; and (v) change of business. It also contains customary events of default upon the occurrence of which Barclays may terminate and demand repayment of all amounts outstanding under the Barclays Facility Agreement. Barclays has consented to the transfer of SCP Holdings to the UKCPT Group pursuant to the Proposals.

The Barclays Facility is secured by fixed and floating charges over the assets (including the properties at St. Christopher's Place Estate) of the SCP Secured Group, a security interest agreement over the shares in SCP Estate and a security interest agreement over the bank accounts of the SCP Secured Group.

9. General

9.1 It is expected that the total costs and expenses of and incidental to the Scheme and the Issue incurred by the Company and FCPT (and borne by Continuing Shareholders) will be approximately £4.6 million.

9.2 Neither the Company nor any member of the UKCPT Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company's and/or the UKCPT Group's financial position or profitability.

9.3 Neither FCPT nor any member of the FCPT Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on FCPT's and/or the FCPT Group's financial position or profitability.

9.4 The UKCPT Valuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in Part 5 of this document for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The UKCPT Valuer has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report in Part 5 of this document and the statements attributed to it and references to it in the form and context in which they appear and has authorised the contents of its report and statements attributed to it and references to it for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

9.5 The FCPT Valuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in Part 5 of this document for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to effect its import. The FCPT Valuer has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report in Part 5 of this document and the statements attributed to it and references to it in the form and context in which they appear and has authorised the contents of its report and statements attributed to it and reference to it for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

9.6 Since 31 December 2009 (being the end of the last financial period of the Company for which financial information has been published), there has been no significant change in the financial or trading position of the UKCPT Group. Since 31 December 2009, there has been no significant change in the financial or trading position of the business and assets comprising the FCPT Property Portfolio to be acquired pursuant to the Proposals. There has been no material change in the value of the UKCPT Property Portfolio or the FCPT Property Portfolio since 31 May 2010 (or 18 June 2010 in the case of the Chorley Property), being the date of their valuation in the Valuation Reports.

9.7 The Issue will constitute a significant gross change in relation to the UKCPT Group.

9.8 The Company is of the opinion that, taking into account the net proceeds of the Phoenix Subscription, the working capital available to the UKCPT Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of this document.

9.9 The information in this document sourced from IPD has been accurately reproduced in this document and, as far as the Company is aware and is able to ascertain from information published by IPD, no facts have been omitted which would render the reproduced information inaccurate or misleading.

9.10 The published unaudited net asset value of a UKCPT Share, calculated in accordance with the Company's accounting policies, as at 31 March 2010, the latest date at which it was calculated, was 76.2p per UKCPT Share.

9.11 The published unaudited net asset value of a FCPT Share, calculated in accordance with FCPT's accounting policies, as at 31 March 2010, the latest date at which it was calculated, was 92.1p per FCPT Share.

9.12 The Directors believe that the profile of a typical investor in the Company is an institution or professionally advised individual who is seeking income and capital growth from investing in a diversified portfolio of commercial property and who understands and accepts the risks inherent in the Company's investment policy.

10. Consents

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

10.2. Ernst & Young LLP of Ten George Street, Edinburgh EH2 2DZ which is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and has given and not withdrawn its written consent to the inclusion of its report in Part 8 of this document and name and reference to it in the form and context in which is appears and has authorised the contents of Part 8 of this document which comprises its report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

10.3 CB Richard Ellis Limited of St Martin's Court, 10 Paternoster Row, London EC4M 7HP has given and has not withdrawn its written consent to the inclusion of its Valuation Report and name and reference to it in the form and context in which they appear and has authorised the content of its report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

10.4 DTZ Debenham Tie Leung Limited of 125 Old Broad Street, London EC2N 2BQ has given and has not withdrawn its written consent to the inclusion of its Valuation Report and name and reference to it in the form and context in which they appear and has authorised the content of its report for the purposes of PR 5.5.3R(2)(f) of the Prospectus Rules.

10.5 Execution Noble of Block D, The Old Truman Brewery, 91 Brick Lane, London E1 6QL has given and not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the references to it in the form and context in which they appear.

11. Investment restrictions

The Company is subject to the Listing Rules which apply to closed-ended investment funds.

As required under Listing Rule 15.4.2, the Company will at all times invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy as set out in Part 1 of this document.

In accordance with Listing Rule 15.2.3A, the Company (and its subsidiary undertakings) will not conduct any trading activity which is significant in the context of its group as a whole, but this rule does not prevent any businesses which may form part of the Company's investment portfolio from conducting trading activities themselves.

In addition, in order to comply with Listing Rule 15.2.5, the Company will not invest more than 10 per cent., in aggregate, of the value of its Total Assets (calculated at the time of any relevant investment) in other closed-ended investment funds admitted to the Official List (save to the extent that those closed-ended investment funds have stated investment policies to invest no more than 15 per cent. of their gross assets in such other closed-ended investment funds).

In the event of any material breach of the investment restrictions applicable to the Company or the UKCPT Group, Shareholders will be informed of the actions to be taken by the Investment Manager through an announcement via a Regulatory Information Service.

12. Mandatory bids, squeeze-out and sell-out rules

12.1 *Mandatory bids*

As a company incorporated in Guernsey with shares admitted to trading on the London Stock Exchange, the Company is subject to the provisions of the Takeover Code. The Takeover Code is issued and administered by the Takeover Panel. Under Rule 9 of the Takeover Code, any person or group of persons acting in concert with each other which, taken together with shares already held by that person or group of persons, acquires an interest in shares which carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code or holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid by the acquiror or its concert parties within the preceding 12 months for all the remaining equity share capital of the company.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director or acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares may take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buy back by the Company of UKCPT Shares could, therefore, have implications for Shareholders with significant shareholdings.

12.2 *Squeeze-out and sell-out rules*

Other than as provided by Law there are no rules or provisions relating to squeeze-out and sell-out rules in relation to the UKCPT Shares.

13. Restrictions on Transfer

13.1. *General*

The distribution of this document and offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions, including those in the paragraph 13.2 of this Part 9. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

13.2. *European Economic Area*

13.2.1. In relation to each of the EEA States (other than the UK) which has implemented the Prospectus Directive (each, a "relevant member state"), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the "relevant implementation date") no Ordinary Shares have been offered or will be offered pursuant to an offer to the public in that relevant member state, except that with effect from and including the relevant implementation date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual net turnover of more than €50 million as shown in its annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospective Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a relevant member state.

13.2.2. For the purpose of the expression an "offer of any Ordinary Shares to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the issue of any Ordinary Shares, so as to enable a potential investor to decide to purchase or subscribe for the Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

14. Disclosure requirements and notification of interest in shares

Under Chapter 5 of the Disclosure and Transparency Rules, subject to certain limited exceptions, a person must notify the Company (and, at the same time, the Financial Services Authority) of the percentage of voting rights he holds (within two trading days) if he acquires or disposes of shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he holds as a shareholder (or, in certain cases, which he holds indirectly) or through his direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

14.1. reaches, exceeds or falls below three per cent. and each one per cent. threshold thereafter; or

14.2. reaches, exceeds or falls below an applicable threshold in paragraph 14.1 of this Part 9 above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

Such notification must be made using the prescribed form TR1 available from the Financial Services Authority's website at http://www.fsa.gov.uk. Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights.

The FSA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure and Transparency Rules.

15. Sources of information

Where information contained in this document has been sourced from a third party, the Company confirmed that such information has been accurately reproduced, the source of such information has been identified and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information in accurate or misleading.

16. Date of valuations in the Valuation Reports

16.1 The property valuations in the Valuation Reports, as set out in Part 5 of this document, are as at 31 May 2010 (save in respect of the Chorley Property which is valued as at the date of its acquisition by the FCPT Secured Group being 18 June 2010), the latest practicable date prior to publication of this document.

16.2 There has been no material change in the value of the UKCPT Property Portfolio or the FCPT Property Portfolio since 31 May 2010 (or 18 June 2010 in the case of the Chorley Property), being the date of their valuation in the Valuation Reports.

17. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Royal London House, 22/25 Finsbury Square, London EC2A 1DX and at the Company's registered office until close of business on 10 August 2010:

(i) the Memorandum and Articles together with the full terms of the proposed amendments;

(ii) the letters of appointment referred to in paragraph 6.2 above;

(iii) a draft (subject to non-material updating and amendment) of the Transfer Agreement and undertakings to enter into the Transfer Agreement;

(iv) the written consents referred to in paragraphs 10 above;

(v) the valuation reports referred to in Part 5 of this document;

(vi) the Company's reports and accounts for the three financial periods to 31 December 2009, FCPT's report and accounts for the financial period to 31 December 2009 and FCPT Holdings' report and accounts for the two financial periods to 31 December 2008;

(vii) the Circular;

(viii) the FCPT Circular; and

(ix) this document.

18. Availability of Prospectus

Copies of the Prospectus are available for inspection at the Document Viewing Facility, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS and in electronic form on the Company's web site, www.ukcpt.co.uk and, until 10 August 2010, are available for collection, free of charge, from the offices of Ignis Investment Services Limited, 50 Bothwell Street, Glasgow G2 6HR, Dickson Minto W.S., Royal London House, 22/25 Finsbury Square, London EC2A 1DX, and Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL.

12 July 2010