

This document is important. If you are in any doubt about it you should consult your solicitor, bank manager, or other professional adviser, who specialises in advising on the acquisition of shares and other securities.

All of the shares (the "Shares") issued and to be issued by The Glanmore Property Fund Limited were admitted to the Official List of the Irish Stock Exchange on 12 December 2001. The Directors do not anticipate that an active secondary market will develop in the Shares. No application has been made for the Shares to be listed on any other stock exchange.

The Directors of the Fund whose names appear on page 4 accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fund is an unregulated collective investment scheme for the purposes of the UK Financial Services and Markets Act 2000. As an unregulated scheme, it cannot be marketed in the UK to the general public. Details of the Fund can only be issued in the UK to persons authorised under the UK Financial Services and Markets Act 2000 and other categories of investor to whom unregulated collective investment schemes can be marketed without contravening section 238 of that Act.

PROSPECTUS

THE GLANMORE PROPERTY FUND LIMITED (the "Fund")

(A company incorporated with limited liability in Guernsey and registered on 8th November 1996 (Registered Number 31660) under the provisions of The Companies (Guernsey) Law 1994 and having an authorised share capital of £10,000 divided into 10 management shares of £1 each and 99,900,000 unclassified shares of 0.01p each.)

Manager
TILNEY ASSET MANAGEMENT INTERNATIONAL LIMITED

Property Adviser
CARDALES UK LIMITED
(Trading as Cardales)

Administrators
INVESTEC ADMINISTRATION SERVICES LIMITED

The distribution of this document and the offering of Shares in certain jurisdictions may be restricted, and accordingly, persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation by any person in any jurisdiction (i) in which such offer or solicitation is not authorised or (ii) in which the person making such offer or solicitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer or solicitation.

The Guernsey Financial Services Commission (the "Commission") has authorised the Fund as a "Class B" collective investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "Law"). It must be distinctly understood that in giving this authorisation the Commission does not vouch for the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. Investors in the Fund are not eligible for the payment of any compensation under the Collective Investment Schemes (Compensation of Investors) Rules 1988 made under the Law.

Persons interested in acquiring shares should inform themselves as to:

- (i) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for acquiring, holding and disposing of such Shares;
- (ii) any foreign exchange restriction or exchange control requirements which they might encounter on acquisition, holding or disposal of Shares; and
- (iii) the taxation consequences which might be relevant to the acquisition, holding or disposal of the Shares.

Neither the delivery of this document nor any application made in connection herewith shall, under any circumstances, constitute a representation or create any implication that the information herein is correct at the date of this Prospectus and any time subsequent to the date hereof. It is the responsibility of anyone relying on this document to ensure that it is the most current version and that no revisions or corrections have been made.

Neither the admission of the Shares to the Official List nor the approval of this Prospectus pursuant to the listing requirement of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the Company, the adequacy of information contained in this Prospectus or the suitability of the Company for investment purposes.

The attention of prospective investors is drawn to the fact that the investments of the Fund in immovable property will be long-term and of a relatively illiquid nature. Property is also cyclical in terms of movements in capital value. The acquisition of Shares in the Fund should therefore in turn be regarded as a medium to long-term investment subject to the same conditions.

Application forms from prospective investors wishing to subscribe for the Shares must be received by or on behalf of the Fund together with the relevant bank draft or cheque or a telegraphic transfer of funds at least 5 days prior to the relevant subscription day. An application form is attached.

THIS DOCUMENT IS SUBJECT TO UPDATING AND IT IS THE RESPONSIBILITY OF ANYONE RELYING ON ITS CONTENTS TO ENSURE THAT IT IS THE MOST CURRENT VERSION AND THAT NO CORRECTIONS OR REVISIONS HAVE BEEN MADE.

THE WHOLE OF THIS DOCUMENT SHOULD BE READ.

1st August 2004

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APPLICATION FORM

DEFINITIONS

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

Accounting Period	Each period of twelve months ending on 31 December in each year.
Administrator	Investec Administration Services Limited.
Articles	The articles of association of the Fund as amended or replaced from time to time.
Cardales or the Property Adviser or the Property Manager	Cardales UK Limited, trading as Cardales.
Class B Rules	The relevant rules governing the operation of open-ended funds as issued by the Commission pursuant to the Law.
Custodian	Investec Bank (Channel Islands) Limited
Directors or The Board	The Directors of the Fund.
Executive Directors	Mr R. L. Court, Mr M. McKean and Mr I. Burns.
Front End Fee	An amount not exceeding 5% of the Net Asset Value, as determined by the Administrator.
Fund or The Company	The Glanmore Property Fund Limited.
Manager or TAMIL	Tilney Asset Management International Limited.
Irish Stock Exchange	The Irish Stock Exchange Limited.
Net Assets	The value of the net assets of the Fund from time to time as determined in accordance with the Articles.
Net Asset Value	The proportion of the Net Assets attributed to each share as determined in accordance with the Articles.
Net Asset Value per Share	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue.
Non-Executive Directors	Mr A. C. Pickford, Mr L. Hilton, Mr P. Ball and Mr T. A. Wands.
Offer Price	Net Asset Value plus Front End Fee.
Official List	The Official List of the Irish Stock Exchange.
Shareholder	Holder of shares in the Fund.
Shares	Participating Redeemable Preference Shares of 0.01 penny each in the capital of the Fund.
Sterling, £ or GBP	Pounds sterling, the currency of the United Kingdom.
Subscription Day	The last business day of each week or such other and/or additional day or days as may from time to time be determined by the Directors in consultation with the Administrator.
Valuation Date	The first business day of each month.
Valuers	Chesterton plc and Lambert Smith Hampton Limited.

DIRECTORS AND ADVISERS

Executive Directors

Robert Court FRICS ACI Arb (Chairman) (UK)
One Lumley Street, London, W1K 6ND

Michael McKean MA (Oxon) TEP (Solicitor) (Guernsey)
Newhaven, Rue de Bouverie, Cobo, Castel, Guernsey GY5 7TZ

Ian Burns FCA TEP (Guernsey)
c/o Investec Administration Services Limited, Investec House, PO Box 290 La Plaiderie, St Peter Port, Guernsey

Non-Executive Directors

Anthony C Pickford FCA (Guernsey)
c/o Mercator Trust Company, PO Box 336, Anson Court, La Route des Camps, St Martins, Guernsey GY1 3UQ

Les Hilton FCA (Guernsey)
c/o Brookfield, Rue du Friquet, Castel, Guernsey GY5 7SU

Peter James Ball BSc MRICS (UK)
1, Clarendon Way, Marlings Park, Chislehurst, Kent BR7 6RE

Anthony Wands KGCM MA PhD FRSA MSI (UK)
c/o Thesis Asset Management plc, Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP

Registered Office of the Fund

PO Box 290 La Plaiderie
St Peter Port
Guernsey

Administrators, Secretaries and Registrars

Investec Administration Services Limited
Investec House PO Box 290 La Plaiderie
St Peter Port
Guernsey GY1 3RP

Custodian

Investec Bank (Channel Islands) Limited
La Vieille Cour PO Box 188 La Plaiderie
St Peter Port
Guernsey GY1 3LP

Manager

Tilney Asset Management International Limited
PO Box 336
Anson Court
La Route des Camps
St Martin
Guernsey GY1 3UQ

Property Adviser

Cardales UK Limited
Trading as Cardales
Royal Liver Building
Pier Head
Liverpool L3 1NY

Property Valuers

Chesterton plc	Lambert Smith Hampton Limited
International Property Consultants	Regent Arcade House
54 Brook Street	19/25 Argyll Street
London W1A 2BU	London W1F 7TS

Auditors

KPMG Channel Islands Limited
2 Grange Place
St Peter Port
Guernsey GY1 4LD

Listing Sponsor at the Irish Stock Exchange

Ernst & Young
Ernst & Young Building
Harcourt Centres
Harcourt Street
Dublin 2 Ireland

Bankers in Guernsey

Royal Bank of Scotland International
St Peter Port
Guernsey GY1 1BR

in the United Kingdom

Bank of Scotland	The Royal Bank of Scotland plc
Corporate Banking	Corporate Banking London
PO Box 39900 - Level 7	9th Floor
Bishopsgate Exchange	280 Bishopsgate
155 Bishopsgate	London EC2M 4RB
London EC2M 3YB	

Barclays Bank plc
54 Lombard Street
London EC3P 3AH

Legal Advisers to the Fund in Guernsey

Carey Olsen
7 New Street
St Peter Port
Guernsey GY1 4BZ

in the United Kingdom

Thomas Eggar
The Corn Exchange, Baffins Lane
Chichester
West Sussex PO19 1GE

INVESTMENT SUMMARY

The purpose of the Fund is to provide private and institutional investors (including pension funds) with a professionally managed means of participating in the higher yielding sector of the UK commercial property market. The Fund acts as a pooled investment medium for its shareholders.

The Fund has acquired a diversified portfolio of commercial properties in the retail, retail warehouse, office and industrial warehouse sectors of the UK market so that shareholders can enjoy the attractive rental yields available in those markets as well as any future rental and capital value growth.

Investment decisions are made by the Board advised by the Manager and will reflect the long term objective to maximise total return made up of rental income plus capital appreciation. The Fund has appointed Cardales as its property adviser. For detailed information on the investment decision-making process see pages 7 to 9.

Cardales are responsible for the efficient day to day management of the properties as the Property Manager. This includes arranging for regular maintenance to keep the fabric of the buildings in good order, prompt rent collection and maintaining good relationships with the tenants, as well as offering pro-active property management advice.

The value of the Fund's investments is reflected in the value of the Shares which will be dependent upon an independent valuation of the investment properties undertaken by one of the Valuers.

The performance of the Fund will be measured against an appropriate benchmark reviewed and approved by the Board of Directors.

INVESTMENT STRATEGY

1. Investment Strategy

(a) Running Yield Considerations

It is the opinion of the Directors and the Manager that whilst the Fund's portfolio should contain certain investments that are designed to provide medium term capital growth, it should also contain properties purchased because of their initial higher running yield, as well as their capital growth potential.

(b) Length of Leases

In the 1970s and 1980s, commercial leases were generally for a term of between 21 and 25 years, but in recent years the trend has been towards shorter leases, thus increasing the risk to the landlord if the tenant does not renew its lease. The Directors, with the advice of the Manager intend to space the termination of leases so that income at risk is minimised. By careful planning when acquisitions are made, the Directors will consider the termination of tenants break-dates of the occupational leases and will plan these to be spread such that the Fund does not risk losing several tenants (and therefore too much income) at any one point of time in the future.

(c) Enhanced Value

Historically, institutional landlords have tended not to invest in property that entailed intensive management. This meant that investments which for all other purposes would have been attractive to such landlords were in less demand and therefore cheaper to acquire. Such properties are, however, still beyond the means of most private investors, and therefore the Manager considers that attractive purchases can be made.

(d) Tax Implications

With careful forward planning, the Directors will seek to reduce or relieve the UK tax liability on the Fund's investment income by the proper and legitimate use of capital allowances.

(e) Borrowings

Yields to the Fund can be enhanced by prudent borrowing where the return from investments purchased with borrowed funds exceeds the cost of borrowing. The Manager therefore believes that in addition to the use of its own resources, the Fund should employ external finance as a source of capital, subject to the limits set out on page 18.

(f) Speculative Development

The Manager considers that property development will under no circumstances assist the Fund in achieving its objective unless tenants have already committed themselves to occupy the properties before the Fund enters into a binding obligation to redevelop or refurbish the site in question.

2. Investment Policies

In the light of the advice which has been given by the Manager, the following investment policies have been adopted by the Fund to achieve the objective set out as above:

- (a) Whilst the Directors recognise the importance of capital growth in the Fund's investment portfolio, they also seek to acquire properties which have a comparatively high initial running yield.
- (b) In the light of the fact that commercial leases are becoming shorter and that the risk of the Fund having unoccupied premises in its portfolio is thereby increased, investments are selected to ensure that the income risk to the Fund of leases terminating without renewal is spread over time.
- (c) The Fund will allocate part of its assets to the purchase of properties that require intensive management by Cardales where there is the potential to enhance value.

- (d) The Fund is so managed as to maximise the use of available tax reliefs and allowances.
- (e) The Fund, which has available to it the facilities more fully described in the section headed Banking Arrangements, will use borrowing to fund acquisitions where it is satisfied that the overall yield from particular prospective acquisitions is or will be greater than the cost of the borrowing required for that particular acquisition.
- (f) No acquisitions are made where material redevelopment or refurbishment is required, unless a tenant has been secured before any binding commitment to refurbish or redevelop has been entered into by the Fund and therefore the Fund does not engage in speculative development.
- (g) Policies are subject to review from time to time in the light of prevailing economic circumstances, and any changes are notified to the members of the Fund in the Directors' report which accompanies the Fund's annual accounts. This document is circulated to members not less than 14 days before each annual general meeting.

3. Investment Criteria

The Directors, having considered the advice given by the Manager, and in the light of the investment policies to be adopted by the Fund, have adopted the following investment criteria which apply to the gross assets of the Fund at any given time:-

- (a) No individual investment shall represent more than 15% of the gross assets of the Fund (including any adjacent or contiguous property).

Investments shall be in the retail, retail warehouse, office, leisure or industrial/warehouse sectors.

The location of the investments shall be in Greater London and other significant cities and towns throughout the United Kingdom.

The minimum unexpired occupational lease period of any leasehold property acquired shall be 10 years. No more than 10%, in aggregate, of the Fund's gross assets may be invested in property which has a leasehold period of less than 60 years remaining at the time of listing or, if later, at the time of acquisition.

Initial return on acquisition shall represent at least 5% of the acquisition price.

- (b) In order to provide the possibility of achieving a better overall return from the portfolio, up to 30%, by gross value, of the property investment portfolio may be held in special situations subject to the limit of 15% on any individual investment described in (a) above. These may include a good quality building in a good location but let to a tenant of average covenant strength or an average quality building in a good location let to a tenant of above average covenant strength. Other circumstances may include over-let buildings, short leases, partly-let buildings, or buildings held on a ground lease. Maximum yields of this element of the portfolio are unlikely to exceed 10%.

The Directors believe that whilst property investments of this type tend not to be favoured by institutional investors, provided they are carefully managed, the Fund can benefit from a higher yield than is likely to be available from the properties falling within Section 3(a) and the risk can be reduced by the active involvement of the Manager in management.

- (c) Exposure of portfolio to tenant risk
No one tenant (other than HM Government) should normally be permitted to occupy, at the time of the acquisition of the investment or investments in operation, property representing more than 15% of the gross value of the Fund's rental income.
- (d) No more than 25%, in aggregate, of the gross assets of the Fund may be invested in property which does not produce rental income or which is in the course of, or requires, substantial redevelopment. Redevelopment for this purpose shall mean any development or refurbishment activity carried out on property with a view to materially enhancing the value or changing the use of that property.
- (e) No more than 25%, in aggregate, of the gross assets of the Fund may be invested in property which is let on a short term basis.

The Fund is also subject to the following investment criteria, which will apply to any investment at the time that the investment is made:

- (f) No more than 20% of the gross assets of the Fund may be lent to or invested in the securities of any one issuer or may be exposed to the creditworthiness or solvency of any one counterparty.
- (g) None of the gross assets of the Fund will be invested directly in physical commodities other than real property.

The investment criteria outlined at (a) - (g) shall not be considered to be breached by virtue of appreciations or depreciations in the value of any property which are outside the control of the Fund and/or the Manager. Any enhancement or other expenditure incurred by the Fund on any property will be taken into account in calculating these investment criteria. However, the Manager will have regard to these investment criteria when considering changes in the investment portfolio of the Fund.

RISK FACTORS

Attention is drawn to the following specific risk factors:

1. The general market for commercial property may during the period of any investment in Shares depreciate with the result that the value of the Fund's property investment portfolio falls. The value of an individual property may fall, for example, due to location or the insolvency of a tenant. The Administrator's monthly valuation will be predominantly based on one of the Valuer's opinions of the current market value of the Fund's property portfolio.
2. Borrowings by the Fund may exacerbate the effect on the value of Shares of falls and rises in the value of the Fund's property investment portfolio and falls in value may consequently affect the Fund's liquidity.
3. The cash resources immediately available to meet those Share redemption applications that are accepted will be limited and if not accepted redemption requests on any Subscription Day exceed those resources investment properties may need to be sold in order to redeem such Shares. Land and buildings may be difficult to sell and as a consequence there may be times when the Shares cannot be redeemed immediately even if the Directors accept applications to do so.
4. The facilities granted by the Bankers to the Fund may be terminated in circumstances including the following:
 - (a) the amount of sums drawn exceeding specified proportions of the realisation value of the properties secured in favour of the bankers;
 - (b) a change in control of the beneficial ownership of the Fund (which, in the opinion of either banker, may have an adverse effect on its position);
 - (c) any event occurs which will in the reasonable opinion of the bankers adversely affect the business, assets or financial condition of the Fund or its ability to comply with its obligations to the Bank.

The availability of the Fund's banking facilities (and its consequent ability to, inter alia, fund redemption requests) and its liability to repay sums borrowed is, therefore, subject to circumstances beyond the Fund's control, including movements in the value of its Portfolio.

5. An investment of the type offered by the Fund may not be suitable for all recipients of this Prospectus. An investment in the Fund is designed as a longer term investment and consequently may not be suitable as a short or medium term investment. Prospective investors should seek advice from their investment adviser.
6. It is intended that an investment in the Shares in the Fund will produce regular income for the investor who should be aware that this income will fluctuate. In addition, it should be noted that the tax treatment of the Fund may change.
7. Charges and expenses in connection with the Fund are not made uniformly throughout its life and it is possible that an investor may not receive back the full amount of their investment especially if it is redeemed within one year.
8. In respect of all information relating to past performance in this document, please note that past performance is not necessarily a guide to the future.

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

The Board currently has three Executive Directors and four Non-Executive Directors. Each of the Executive Directors, following advice received from the Manager, has responsibility for the investments acquired by the Company. Although each of the Directors will review the proposed investments, advised by the Manager, all investment decisions are effected by a majority of the Executive Directors.

Robert Court (Chairman) FRICS ACI Arb (UK)

Born in 1951, Mr Court is a Chartered Surveyor. He entered the surveying profession in 1969 and in 1973, having qualified as an Associate of The Royal Institution of Chartered Surveyors, he joined the estates department of BOAC in London. In 1978 he became an equity partner in a private practice, based in Hampshire, where he was responsible for commercial valuation and landlord and tenant matters. The practice was purchased by General Accident in 1987 and Mr Court was instrumental in developing a separate commercial surveying subsidiary, which became known as Cardales. He was appointed Chief Executive of this subsidiary, reporting directly to the main board of General Accident plc. A management buy out occurred in December 1998 and Mr Court has since been the Chief Executive of Cardales UK Limited, which was acquired in February 2004 by Tilney Holdings Limited. Mr Court is also a non-executive director of Basepoint plc, a company listed on the London Stock Exchange, and a Member of the Governing Council of the University of Durham.

Ian Burns FCA TEP (Guernsey)

Born in 1959, Mr Burns qualified as a Chartered Accountant in 1983, is a fellow of the Institute of Chartered Accountants, a member of the Society of Trust and Estate Practitioners and a member of The Securities Institute. He started his career with Ernst and Young before becoming a founder director of Channel Islands Insurance Consultants Limited, a captive insurance management company in Guernsey in 1985. He joined Bachmann Trust Company Limited, an independent fiduciaries services group in 1988 and accepted a directorship of the company 1991 where his responsibilities included the development of the trust operation, the reorganisation of the marine services division and insurance broker company. In 2001, he joined Investec Trust (Guernsey) Limited as the head of fiduciary services and the Investec Trust Group executive board. He is also a director of The Global Investment Basket Limited, a Bermuda listed company and Continental Indemnity Limited, a specialist credit insurer.

Mr Burns is the current Chairman of the Guernsey Association of Trustees.

Michael McKean MA (Oxon), TEP, English Solicitor (Guernsey)

Born in 1931, Mr McKean is an English solicitor. In 1986 he founded and, until October 1996, was the senior partner of Wedlake Bell McKean, Solicitors, Guernsey, where he was responsible for the firm's offshore trusts and companies comprising some 500 trusts and 600 companies incorporated in numerous jurisdictions. From 1955 until 1978 Mr McKean was at Shacklocks (Solicitors) in Nottinghamshire becoming both

Managing and Senior Partner. Between 1974 and 1978 Mr McKean was a part time tutor in real property at Nottingham University and subsequently was a major contributor to 'Modern Conveyancing Precedents'. He was a director of N M Rothschild & Sons C.I. Limited (1978 to 1980) and Solicitor to the Board of British Waterways (1980 to 1986). From 1986 to 1996 Mr McKean was the full-time managing director Breams Trustees, a Guernsey based trust company responsible for the administration of a large number of trusts and companies.

Anthony C Pickford FCA (Guernsey)

Born in 1953, Mr Pickford is a Guernsey resident and is the Chairman of Mercator Trust Company Limited and also of Chandlers Limited, a Guernsey based trust and accountancy business. He has been a partner of RSM Robson Rhodes in Guernsey since 2001. He qualified as a Chartered Accountant in 1976 and is also the only UK licensed insolvency practitioner in Guernsey.

Les Hilton FCA (Guernsey)

Born in 1945, Mr Hilton qualified as a Chartered Accountant in 1969, and after a brief period as a sole practitioner, he moved to Guernsey in 1974 and became a partner in the predecessor firm of Ernst & Young. During his ten year stay with that firm he specialised in audit work, including the audit of a number of property holding companies and financial institutions.

In 1984 he was invited to join The Bachmann Group Limited, now one of the Channel Island's leading independent trust operations, as a director and shareholder, and took responsibility for a number of major clients. Later he was appointed chief executive officer of Bachmann Trust Company Limited, which provides offshore services to a diverse portfolio of international clients, including a significant number engaged in property development and investment, both commercial and residential, principally in the United Kingdom but also in Europe. During the 1980's and 1990's he worked closely with a number of developers in establishing tax efficient structures for the ownership and development of residential property in Spain and Portugal and in providing mortgage facilities for non-resident buyers.

He was appointed chairman of Bachmann Trust Company Limited in 2001, and resigned in 2003 to establish, with a small group of other experienced individuals, Confiance Limited, an independent offshore trust company based in Guernsey.

Peter James Ball BSc MRICS (UK)

Born in 1956, Mr Ball has over 25 years of property experience, qualifying as a Chartered Surveyor in 1982. Following a number of years as a general practice surveyor and as a portfolio Manager in private practice, he spent 7 years with Hill Samuel Asset Management during the late 1980's and early 1990's. In 1995, he was asked to join Sun Life of Canada to assist with the launch of what became SLC Asset Management and to restructure the insurance company commercial property portfolios. Subsequently appointed Head of Property, he was responsible for restructuring the property team and implementing a revised investment process which underpinned a recovery in performance across all client portfolios. He held executive responsibility for investment strategy across all client funds, including segregated mandates, unit linked pension and life funds. Consistency of performance was recognised by awards including the Public Treasurers Investment Award 2000 and Estates Gazette/Investment Property Forum Awards in 2000 and 2001.

SLC Asset Management was acquired by Credit Suisse Asset Management in 2001, at which point Mr Ball's team oversaw property assets in excess of £1 billion. Mr Ball remained as a Director of Credit Suisse until May 2002 when he resigned to accept a role with UKI Capital Management developing and managing co-investment schemes on behalf of their global partners. Peter is well known and highly respected within the property fund management industry and brings with him both a wealth of experience and an extensive contact base.

Anthony Wands KGCM MA PhD FRSA MSI (UK)

Born in 1956, Mr Wands is the Managing Director of Thesis Asset Management plc; he is also a member of the Management Board of Thomas Eggar, Solicitors. Prior to joining Thesis, Mr Wands was Managing Director of Pastor Alliance SA and an Executive Director of UBS Phillips & Drew as well as having held other senior City appointments. Mr Wands is a former Adviser to the Spanish and Portuguese governments. He has a Masters degree from St Andrews University and held a Stevenson Travelling fellowship at Salamanca where he researched his PhD. He is a Member of the Securities Institute, a Fellow of the Royal Society of Arts, and is Visiting Professor at the School of Finance and Law, Bournemouth University. He is a director of several quoted Investment Trusts, and a director of the Association of Private Client Investment Managers and Stockbrokers.

MANAGER

Tilney Asset Management International Limited

The Fund has appointed Tilney Asset Management International Limited as Manager pursuant to the Management Agreement dated 17 December 2003 (further details of which are outlined under "Material Contracts" on pages 19 to 21). Under the Management Agreement TAMIL will work in collaboration with the Board of Directors (who will retain all executive powers) and will provide general management functions, logistic support, marketing, general and specialist investment advice and all strategic services for the Fund's development. TAMIL will also oversee all third party services supplied to the Fund.

The Manager was incorporated in Guernsey on the 3rd July 2001 and its ultimate holding company is Tilney Holdings Limited which is incorporated in the UK. Tilney Holdings Limited is a wholly owned subsidiary of Refco, a USA registered company. The Directors of the Manager are Angus Bodman, David Preston and David Webster and details of its registered office appear on page 4.

The Manager has delegated certain administrative functions to the Administrator.

THE PROPERTY ADVISER

Cardales UK Ltd

The Fund has also appointed Cardales as Property Adviser pursuant to the Property Advice Agreement dated 10 December 2003 (further details of which are contained under “Material Contracts” on pages 19 to 21). Under the Property Advice Agreement, Cardales will provide, directly to the Directors of the Fund, advice on all property issues, including, in particular, the identification, recommendation and negotiation of suitable property investments and also for the disposal of property assets from time to time.

The Property Adviser is a member of the same corporate group as the Manager and details of its registered office appear on page 4.

THE ADMINISTRATOR

Investec Administration Services Limited

TAMIL has appointed Investec Administration Services Limited as Administrator pursuant to the administration agreement dated 20th July 2004 (further details of which are outlined under “Material Contracts” on pages 19 to 21). Under the administration agreement the day-to-day administration, secretarial and registrar functions have been delegated to the Administrator. The Administrator is also responsible for preparing the Net Asset Value on a monthly basis.

The Administrator is the designated manager for the purposes of the Class B Rules. The Administrator was incorporated in Guernsey on 3rd September 1987 and details of its registered office appear on page 4. The company is wholly owned by Investec Trust (Guernsey) Limited and its ultimate parent company is Investec plc, which is incorporated in the UK and listed on the London Stock Exchange.

THE CUSTODIAN

Investec Bank (Channel Islands) Limited

The Fund has appointed Investec Bank (Channel Islands) Limited as Custodian pursuant to the custodian agreement dated 1st August 2004 (further details of which are outlined under “Material Contracts” on pages 19 to 21).

Under the Custodian Agreement the Custodian has responsibility for the safe-keeping of the assets of the Fund. The Fund’s property investments may be held in the name of the Fund and documents of title may be held by the lending bank as security for its loans subject to the banking arrangements summarised on page 14.

Sub-custodians may be appointed by the Custodian from time to time, provided that the Custodian shall exercise reasonable skill, care and diligence in the selection of suitable sub-custodians, and shall satisfy itself as to the ongoing suitability of any sub-custodians selected by it to provide custodial services to the Fund. The Custodian will also maintain an appropriate level of supervision over the sub-custodians and will make appropriate inquiries periodically to confirm that the obligations of the sub-custodians continue to be competently discharged. Any sub-custodian appointed will be paid at normal commercial rates.

The Custodian shall not be liable in the event of the loss of any assets held by a sub-custodian provided that such sub-custodian exercised reasonable care and acted in the absence of fraud or wilful default.

The Custodian was incorporated in Guernsey on 24th December 1977 and its ultimate holding company is Investec plc which is incorporated in the UK and listed on the London Stock Exchange. The Custodian’s principal business activity is acting as a bank. It has an issued share capital of £8,652,339 which is fully paid up. Details of its registered office appear on page 4.

The Custodian has delegated the registrar function under a separate agreement to the Administrator. The Administrator will make no additional charge for this duty.

THE VALUERS

Chesterton plc and Lambert Smith Hampton Limited

The Fund has appointed Chesterton plc and Lambert Smith Hampton Limited as independent Valuers pursuant to valuers’ appointment letters dated 13 May 2004 (further details of which are outlined under “Material Contracts” on pages 19 to 21). Under the valuers appointment letters Chesterton plc or Lambert Smith Hampton Limited will value the Fund’s property investments on acquisition and determine the Net Asset Value. The valuations will be carried out in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

SUBSCRIPTION AND REDEMPTION ARRANGEMENTS

Offer

On incorporation, the equivalent of up to a total of 99,900,000 Shares were available for issue. None of the Shares available for issue have been underwritten or guaranteed.

Subscription Arrangements

Applications for subscription for Shares at the Offer Price may take place on each Subscription Day in accordance with the following procedures. Shares will be issued with reference to the Net Asset Value ruling on the relevant Subscription Day.

Subscription for Shares

The procedure for application is through completion of the application form at the back of this document.

There is no minimum number of shares that may be the subject of an individual application for subscription and there is no minimum holding of shares. However, initial applications must be for shares to a minimum value of £5,000. Fractions of Shares may be issued if appropriate.

The Directors reserve the right to reject any subscription in whole or in part.

Payment for Shares is to be made in cash to the account specified below. The Directors reserve the right to accept a partial or a full payment in specie. Any investment property taken in specie must be within the investment policy and restrictions of the Fund, and be recommended by the Property Adviser and will be valued by one of the Valuers in accordance with the valuation principles governing the Fund. Any applicant wishing to subscribe for Shares by a transfer in specie of assets will be required to comply with administrative and any other arrangements for the transfer as specified by the Manager. Assets subscribed in specie will be required to be transferred to the Fund with sufficient evidence of title on or before the relevant Valuation Day on which the Shares are issued in respect of the subscription.

Applications to subscribe must be received at least five business days prior to the relevant Subscription Day (or such lesser period as the Directors may permit).

The Offer Price must be paid by cheque or cleared funds to the Administrator at the time the application is made.

Applicants will be sent a contract note detailing the amount invested, the issue price and number of Shares issued within two business days of the relevant Subscription Day. Shares will be issued in registered form only. Share certificates will not be issued other than pursuant to a specific request.

Redemption Arrangements

Requests to redeem Shares at the Net Asset Value (which will be published by the Administrator not later than the second business day of each month) must be received by the Administrator at least five business days before the relevant Subscription Day for Shares to be redeemed on that Subscription Day. Redemption requests shall be made in the form of a redemption notice available from the Administrator on request together with such other completed documentation as the Administrator may require.

Unless a redemption request specifies a particular number of Shares to be redeemed it will be deemed to apply in respect of the total holding of the relevant investor.

Redemption proceeds will be sent by cheque at the holder's risk to the address of the holder registered with the Administrator within three business days of the relevant Subscription Day.

There will be no exit charge imposed except in the event of early redemption where a redemption charge of 2% of the proceeds payable on redemption shall be made and deducted from the redemption proceeds payable in respect of any redemptions made prior to six months from the date the holding was originally acquired. A redemption charge of 1% of the redemption proceeds shall be made in respect of any redemptions occurring between 6 and 12 months following the acquisition date of the original holding. Redemption charges shall be retained for the account of the Fund. Shares may become subject to compulsory redemption in certain circumstances. Investors attention is drawn to the section headed Compulsory Redemption on page 17.

Redemption Policy

The Directors have determined to operate the following policy in respect of redemptions:

- (a) In order to meet redemption requests without the necessity for the Fund to sell its properties, the Fund will retain such amount as the Directors may from time to time consider appropriate not exceeding 5% of the Net Asset Value of the Fund. In addition, a credit facility has been agreed under which up to 10% of the Fund's property investment value (subject to a maximum value of £15 million) will be available, together with the proceeds of subscriptions received on any Subscription Day, to meet redemption requests.
- (b) To the extent redemption requests exceed cash available to the Fund and subject to (c) below a suspension in dealings for the purpose of redemptions shall be declared by the Directors and the Fund will proceed with an orderly disposal of such of its real property as may be required to effect such redemptions. Redemption of the relevant Shares the subject of such requests shall take place at the Net Asset Value therefor which shall be calculated by the Administrator following realisation of sufficient property (or properties) to provide redemption monies.
- (c) Where redemption requests are received in respect of Shares in amounts such that (i) the Directors consider that the continuance of the Fund is not in the best interests of the shareholders as a whole, and (ii) market conditions or the proportion of Net Assets represented by such requests are such that in the opinion of the Directors it would be prejudicial to shareholders to meet redemption requests received, redemption will in any case be suspended and an Extraordinary General Meeting will be convened to consider a special resolution to wind up the Fund and such other proposals as the Manager may consider appropriate in the light of market conditions at the time. If such resolution is passed the Fund will then proceed with an orderly disposal of its assets and distribution of the proceeds thereof to shareholders.

Valuation

The Net Asset Value will be established on the first business day of each month. Valuations of the Fund's properties will be prepared and provided to the Administrator by one of the Valuers for such purposes and subscription and redemption will take place on the next Subscription Day at the Net Asset Value, subject to the Front End Fee on subscription and, if applicable, a charge for early redemption: this figure will be available from the Administrator on request at any time after the second business day in each month, and will be published by the Financial Times on the publication day following determination by the Administrator. Following determination, the Net Asset Value per Share will immediately be notified to the Irish Stock Exchange by the Administrator. The method of valuation is set out in more detail on page 18.

Transfers

Instruments of transfer of Shares are available from the Administrator. An instrument of transfer signed by or on behalf of the transferor together with the certificate (if any) for the Shares transferred must be lodged with the Administrator. Transfers of Shares may be restricted and Shares become liable to compulsory redemption where the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage to the Fund or its shareholders as a whole. Investors' attention is drawn to page 17.

Suspension of Dealings

The Directors have power under the Articles to suspend valuation of the Shares and therefore subscriptions and redemptions of Shares if in the opinion of the Directors, it is not reasonably practicable for the Fund to realise its investments or fairly to determine their Net Asset Value or generally if it is desirable to do so in the interest of continuing members.

It is not anticipated that the Directors should have need to use such powers unless market conditions or the level of requests for redemptions received and accepted by the Directors make it desirable in the interests of the general body of members that they should do so.

Investors' attention is drawn to 'Temporary Suspension of Valuation' on page 18.

EQUALISATION

Grouping for equalisation is permitted under the Articles.

This means that Shares purchased during an accounting period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund already accrued up to the date of purchase. This will be refunded to holders of the relevant Shares as part of their first distribution but, for UK tax purposes, is treated as being a return of capital. Being capital, it is not liable to income tax and will not give rise to a chargeable gain in the hands of the shareholder, provided the amount received is either less than £3,000 or less than 5% of the value of the relevant Share, in which case the base cost will be reduced by the amount of the equalisation payment.

The above summary relates only to the tax treatment of United Kingdom tax-resident shareholders. It does not constitute legal or tax advice to particular investors, who should consult their professional advisers on the tax treatment applicable under the laws of their country or citizenship, residence or domicile.

In the case of the first distribution made in respect of a Share issued during an accounting period the amount representing income equalisation included in the price of a Share is a return of capital and is not taxable in the hands of shareholders. This amount is, however, deducted from the base cost of Shares in computing any capital gains realised on the disposal of Shares.

DISTRIBUTION POLICY

The Fund is an offshore fund for the purposes of UK taxation. Its shares do not qualify for either inclusion or retention in an "individual savings account" (ISA) as understood for UK taxation.

As an offshore collective investment scheme any gain arising on disposal or redemption of shares is treated as income (and not capital gain) unless the Fund is certified by the Inland Revenue as having "distributor status" throughout the period during which the shares are held. If so certified the converse applies and any such gain is subject to tax as a capital gain (and not income) for those investors subject to UK tax. It is intended to conduct the Fund's affairs to enable it to be certified as having "distributor status".

The UK Budget (March 2004) gives notice of new tests to determine "distributor status". They are intended to relax the present tests and the Directors intend to act so as to comply with the new tests. The Directors intend to retain income up to the permitted level consistent with this status and reinvest it.

CONFLICTS OF INTEREST

The Directors, the Manager, the Property Adviser, the Custodian and the Administrator or companies with which they are associated may from time to time act as manager, property adviser, custodian or administrator in relation to, or be otherwise involved in, other funds established by parties other than the Fund which have similar objectives to those of the Fund. It is therefore possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly. In addition any of the foregoing may deal as principal or agent with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. The Manager or any of its affiliates or any person connected with the Manager may invest in, directly or indirectly, or manage or advise other property funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Manager nor any of its affiliates nor any person

connected with it is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients. In determining the Net Asset Value, the Directors may rely on valuations provided or attributed to any asset or liability by the Manager.

FEES

Front End Fee

On the issue of Shares the Manager shall be entitled to retain for its absolute use and benefit, the sum not exceeding 4.5% of the subscription price (or such higher percentage as may from time to time be agreed between the Manager and the Fund) that the Manager shall require any applicant for Shares to pay as a Front End Fee. Any sum received as a Front End Fee in excess of this amount shall be passed back to the Fund.

Front End Fee will be retained for the account of the Manager which it may rebate in whole or in part to agents as it thinks fit.

Fees Payable to the Manager

The Manager shall be entitled to receive a fee (the "Management Fee") of 1.5% per annum of the aggregate gross assets of the Fund (being such figure utilised in determining the net asset value of the Fund in accordance with the Articles but excluding cash or bank balances and accrued interest) and 0.8% per annum of the aggregate of the cash and bank balance and unutilised element of all overdraft facilities of the Fund, payable by the Fund out of the assets of the Fund. The Management Fee shall accrue daily on the last valuation day in each month and shall be payable within seven days of such valuation day.

The Manager shall pay the fees of the Administrator and the Custodian under the Administration Agreement and the Custodian Agreement respectively and any fees or charges of the Administrator for acting as registrar; and pay the regular (but not annual) fees of the Valuers under the terms of its appointment by the Fund.

In addition to the fee payable to the Manager, the Fund shall reimburse to the Manager all reasonable expenses, costs, charges and fees incurred or to be incurred by the Manager including all reasonable expenses, costs, charges and fees in the relevant categories incurred or to be incurred by any person to whom the Manager shall have delegated any of its powers and duties in accordance with the Management Agreement and who is entitled to be reimbursed in respect of such expenses, costs, charges and fees by the Manager. The Manager shall not be re-imbursed for costs such as postage, phone charges, the cost of publishing price information, fees connected with convening meetings, fees connected with maintaining a Listing and issuing a new prospectus.

The Manager may deal in shares of the Fund without accounting for its profits (if any).

Fees Payable to the Property Adviser

- (i) An acquisition fee of 1.5% of the price paid for property acquired by the Fund, such fee to include charges for a building surveyor carrying out a physical inspection of the property and preparation of an assessment of re-building costs for insurance purposes.
- (ii) A disposal fee of 1.5% on the sale price achieved of property sold by the Fund.
- (iii) Specific fees such as survey work in connection with repairs and improvements, professional fees for handling rent reviews and new leasing negotiations, as well as agency fees for lettings for empty buildings, will be charged as and when required, which will normally be on a time-charge basis.
- (iv) All costs and expenses properly incurred on behalf of the Fund in the performance of the services.

Fees Payable to the Administrator

The Administrator will charge such fees and transaction charges as may be agreed between the Administrator and the Manager from time to time which shall be paid by the Manager from its management fee. In addition the Administrator charges the Fund property an acquisition fee of £1,500 per property (£2,200 if purchased through a corporate structure) and a property disposal fee of £750 per property (£1,500 if disposed of through a corporate structure). The Manager shall reimburse the Administrator with expenses incurred by the Administrator in connection with the performance of its services including the cost of telexes, facsimile, photocopying, courier, telephone calls and such other expenses relating solely to the duties of the Administrator. The Custodian has delegated the registrar function under a separate agreement to the Administrator. The Administrator has been delegated the function of registrar by the Custodian but will make no additional charge for the performance of this duty.

Fees Payable to the Directors

The Fund will pay its Directors an aggregate sum not to exceed £125,000 per annum and reasonable expenses incurred in the course of their duties.

Fees Payable to the Valuers

Fees will be charged by the Valuer for valuations carried out at the request of the Fund and its bankers, which shall be paid by the Manager from its management fee. These will fall into the following categories and in the following amounts:

- Valuation for Loan Security purposes (up to 0.15% of the value of the property in question, inclusive of disbursements but exclusive of VAT) subject to a minimum fee of £500 exclusive of VAT;
- Independent Valuation for the Fund of property to be acquired (on the same basis as loan security valuations);
- Monthly Valuations (without site inspection) (£100 per property plus VAT); and
- In addition, the Valuer charges a fee for annual revaluations (with site inspections) at up to 0.075% of the value of each property inspected, inclusive of disbursements but exclusive of VAT. This is paid by the Fund.

Fees Payable to the Custodian

The Custodian is entitled to receive from the Manager, from its management fee, a fee (the "Custodian Fee") of 0.15% per annum of the gross assets of the Fund up to £400 million and 0.12% per annum of the gross assets of the Fund above £400 million, subject to the number of properties in the Fund not exceeding 250 in number, payable quarterly in arrears on each quarterly valuation date.

In addition to the Custodian Fee payable to the Custodian as detailed above, the Fund shall pay to the Custodian out of the scheme property of the Fund: (a) if so agreed by the Fund, the fees and expenses of any sub-custodian to whom the custody of any of the uninvested monies from whatever source and in whatever currency collected or received from time to time by the Custodian or any of its sub-custodians for the account of the Fund is entrusted; and (b) the fees and expenses of any legal adviser, accountant, broker or other agent employed by the Custodian appointed in accordance with the Custodian Agreement, subject to the prior approval of the Fund.

EXPENSES

The Property Adviser, the Manager, the Custodian and the Administrator are also entitled to be reimbursed their out of pocket expenses properly incurred in the performance of their respective duties.

The Fund will in addition meet all its own expenses including the costs and expenses of, advisers, consultants, surveyors and other agents engaged on its behalf, commissions, banking fees, legal expenses, auditors and the costs of distribution of reports and accounts and similar documentation to shareholders.

TAXATION

The following is a summary of the tax treatment which, it is anticipated, will apply to the Fund. The summary is based on existing law and practice which is subject to changes to the relevant legislation, fiscal rules and practice and their interpretation and application. Except where otherwise stated, this summary is based on professional advice received by the Directors. The summary does not constitute legal or tax advice to particular investors. Prospective investors should consult their professional advisers to the possible tax consequences of buying, selling, holding or redeeming Shares under the laws of their country of citizenship, residence or domicile. Such persons are also advised to inform themselves on any exchange control regulations applicable under the laws of any relevant jurisdiction in relation to the acquisition, ownership or disposal of Shares.

Guernsey

The Fund

The Fund has received confirmation from the Administrator of Income Tax that under current law and practice in Guernsey, the Fund will not be liable to income tax in Guernsey save in respect of income arising in Guernsey (other than bank deposit interest). However, the Fund will be liable to pay an annual fee to the Income Tax Authority in Guernsey which is currently £600.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwelling profits tax), gifts, sales or turnover, nor are there any estate duties save for an ad valorem fee for the grant of probate. No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Shares (other than on incorporation or subsequent increases in the level of authorised share capital where duty at the rate of 0.5% of the nominal share capital is payable by the Fund subject to a maximum of £5,000).

Shareholders in the Fund

Shareholders resident outside Guernsey and who do not carry on business in Guernsey through a permanent establishment situated in Guernsey are not subject to any tax in Guernsey in respect of any Shares owned by them.

Shareholders resident in Guernsey for the purposes of liability to Guernsey income tax will receive their dividends net of Guernsey income tax.

United Kingdom

The Fund

The Fund will be liable to basic rate income tax on its net rental income. Net rental income is broadly rents received net of expenses incurred in producing those rents. The Fund has obtained permission under the non-resident landlord scheme for basic rate income tax not to be deducted from the rent thus maximising cash flow. The Fund is not expected to be subject to UK corporation tax on its capital gains as it is not resident in the UK.

United Kingdom tax-resident shareholders

If distributor status has been granted to the Fund throughout the period of ownership, UK tax-resident shareholders will be subject to income tax (corporation tax if corporate shareholder) on income distributions and to capital gains tax (corporation tax if corporate shareholder) on any chargeable gain arising on a disposal of shares. Investors who are not domiciled (but are tax-resident) in the UK will have their liabilities confined to income and/or gains remitted to the UK.

Capital gains realised by a company that would be a "close company" if it were UK resident may be attributed to UK resident shareholders in certain circumstances. The Directors are advised that, given the likely profile of shareholders, the Fund will not fall within this definition and if this is so such attribution would not take place.

Non-Guernsey and Non-United Kingdom Tax Resident Shareholders

Investors who are neither resident nor ordinarily resident in the United Kingdom or Guernsey and who are not carrying on a trade, profession or vocation in the United Kingdom or Guernsey through a branch or agency to which their Shares are attributable, are not expected to be liable to United Kingdom taxation on capital gains arising from the sale or other disposal of their Shares, although they may be subject to foreign taxation in their own jurisdiction. All references to tax reliefs relate to those applying at the date of the issue of the document.

BANKING ARRANGEMENTS

General

The Fund has available to it a secured loan facility (the "**Facility**") in the amount of £240,000,000. The Facility is made available under a facility agreement (the "**Facility Agreement**") dated 23 July 2003 as amended and restated on 20 February 2004. The Facility was arranged by The Royal Bank of Scotland plc, the Governor and Company of the Bank of Scotland and Barclays Bank plc. The Royal Bank of Scotland also acts as agent (the "**Agent**") and security trustee (the "**Security Trustee**"). The lenders (the "**Lenders**") are The Royal Bank of Scotland plc, the Governor and Company of the Bank of Scotland and Barclays Bank plc.

The Facility comprises two separate facilities: one ("**Facility A**") in the amount of £225,000,000 and the other ("**Facility B**") in the amount of £15,000,000. Facility A is a five year term loan facility to be used by the Fund to refinance its existing indebtedness to the Lenders as at 23 July 2003 and to acquire additional properties after that date. Facility B is a 364 day facility to be used by the Fund to fund the redemption of Shares. Facility B is subject to annual review by the Lenders.

The Lenders have an absolute and unfettered discretion as to whether or not a particular property can be acquired using Facility A.

Interest Rates

The Fund may borrow up to 10 per cent. of its borrowings under Facility A on the basis that interest is charged on it by reference to the Agent's sterling base rate rather than LIBOR.

In relation to that part of Facility A where interest is charged by reference to LIBOR then interest accrues during each interest period at a rate determined by the Agent to be the aggregate of (i) the margin of 0.975 per cent. per annum (ii) sterling LIBOR relevant to the interest period and (iii) the costs imputed to the Lenders of compliance with certain requirements of the Bank of England and/or the banking supervision or other costs of the Financial Services Authority. In this case interest is payable in arrears on the last day of each interest period and interest periods may be of 3, 6 or 12 months duration (as selected by the Fund) or another agreed period.

Facility B and the balance of Facility A will bear interest at a rate determined by the Agent to be the aggregate of (i) the margin of 0.975 per cent. per annum (1.25 per cent. per annum in the case of Facility B) and (ii) the Agent's sterling base rate. In this case interest is payable in arrears on the penultimate business day of March, June, September and December in each year (or on such other dates as the Agent may advise from time to time) and on the date when Facility A or Facility B, as the case may be, is repayable in full. In calculating the interest on the balance of Facility A the Agent will set off against that balance the credit balances of certain bank accounts secured in favour of the Security Trustee.

Fees

The Fund is required to pay a non-utilisation fee at the rate of 0.4875 per cent. per annum calculated on a daily basis on the undrawn portion of Facility A except that the non-utilisation fee for Barclays Bank plc only begins to accrue with effect from 90 days after amendment and restatement.

Change in circumstances

The Facility Agreement contains provisions protecting the Lenders from any increased costs to them of funding or maintaining the Facility due to, among other things, changes in law and/or requirements of the Bank of England. In this case the Fund would be required to reimburse the relevant Lender for its increased costs.

Credit support

The Fund and certain of its subsidiaries have granted security over their English, Scottish, Jersey and Guernsey assets in favour of the Security Trustee to support their obligations to the Lenders. The security includes a legal charge over each English or Welsh property interest owned by the Fund or a subsidiary and a standard security over each Scottish property interest owned by the Fund or a subsidiary. Additional properties acquired using Facility A must be secured in favour of the Security Trustee.

Certain covenants and undertakings

The Facility Agreement contains a number of standard covenants and undertakings for a facility of this type including, but not limited to, the following:

- (a) the Fund and certain of its subsidiaries (each an "Obligor") will not create or permit to subsist any security interest on any of its assets other than certain security interests arising at law, security interests created with the consent of the Agent or security interests in favour of the Security Trustee to secure indebtedness to the Lenders under the Facility Agreement;

- (b) no Obligor will dispose of all or part of its revenues or assets except with the prior consent of the Agent or where the asset is not a property and is not of a material value in the context of the Fund's group as a whole;
- (c) no Obligor will enter into any amalgamation, demerger, merger or reconstruction;
- (d) no Obligor will make a distribution to Shareholders while an event of default is outstanding or might arise;
- (e) no Obligor can grant a new occupancy of a property it owns, amend such an occupancy or agree any rent reviews in respect of such a property unless the Agent has consented, the occupancy is a lease on arms length terms at a market rent which is excluded from Part II Landlord and Tenant Act 1954 and is for less than 5 years with an annual rent less than £100,000 per annum or it is an assured shorthold tenancy on arms length terms at a market rent;
- (f) the Fund's group's trading profit before interest and taxation in each six month period must be at least 150% of its net interest payable in that period;
- (g) the Fund's tangible net assets must exceed £85,000,000;
- (h) having taken due account of equalisation, the Fund's trading profit after interest and taxation in each six month period must exceed the dividends declared, made or paid in that period;
- (i) the Fund must ensure that the aggregate amount drawn under Facility A does not exceed 55% of the market value of the Fund's property portfolio and the aggregate amount drawn under Facility A and under Facility B does not exceed 60% of the market value of the Fund's property portfolio;
- (j) the Fund must ensure that in each three month period the rental received from one tenant does not exceed 15 per cent of the total rent received by the Fund unless that tenant is a government department, agency or authority; and
- (k) the Fund must ensure that the projected net rent to be received from its property portfolio in each forthcoming year is at least 150 per cent. of its net interest payments in the preceding year.

The Agent may increase the margin on Facility A and Facility B by 2 per cent. for any period of non-compliance with (f) to (k) above.

Events of default

The Facility Agreement contains standard events of default for a facility of this type including, but not restricted to, payment defaults, a breach of any obligation under the Facility Agreement, the failure to maintain the enforceability of the Facility and the related security, certain insolvency events, certain change of control events, cross-defaults, a material adverse change to the Fund's business, TAMIL ceasing to be the Fund's manager or Cardales ceasing to be the managing agent of the Fund's property portfolio. Upon the occurrence of an event of default the Agent on behalf of the Lenders may prevent further advances being made, declare all amounts (including accrued interest) under the Facility due and payable and take certain other actions including the enforcement of rights under the security granted in respect of the Facility

GENERAL INFORMATION

1. Incorporation and Share Capital

- (a) The Fund was registered in Guernsey on 8 November 1996 under The Companies (Guernsey) Law 1994, its registered number being 31660. The liability of its members is limited.
- (b) The authorised share capital of the Fund is £10,000 divided into 10 Management Shares of £1 each and 99,900,000 Unclassified Shares of 0.01 penny each. The unclassified shares may be issued as Nominal Shares or as Participating Redeemable Preference Shares.
- (c) By a resolution passed on 28th March 2002 each Participating Redeemable Preference Share of 1p in the capital of the company in issue was divided into 100 Participating Redeemable Preference Shares of 0.01p each, and each unissued Unclassified Share of 1p in the capital of the Company was divided into 100 Unclassified Shares of 0.01p each.
- (d) There are no provisions of Guernsey Law equivalent to Sections 89 to 96 of the Companies Act 1985 of England and Wales which confer pre-emption rights on existing shareholders in connection with the allotment of equity securities for cash and there are no pre-emption rights under the Articles of Association of the Fund.
- (e) Shares will be issued in registered form but certificates will only be issued on request.

2. Rights attaching to the Shares

(a) Winding up

- (1) On a winding up of the Fund, the Shares carry a right to repayment (from the assets available for distribution to Shareholders) of the nominal capital paid up in respect of such Shares in priority to any such payment on the nominal shares or management shares and the right to share in surplus assets.
- (2) The Nominal Shares may only be issued at par and for the purpose of facilitating redemptions of Shares and have only limited rights. The Management Shares may only be held by the Administrator and exist solely for the purpose of meeting the requirement of Guernsey

law that the Shares should have preferential rights relative to other classes in order that they may be redeemable. On the winding up of the Fund the Management and Nominal shares are entitled only to a return of the paid up nominal capital thereon and have no further right to participate in surplus assets.

- (3) On the winding up of the Fund, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in specie any part of the assets of the Fund.

(b) Voting Rights

- (1) On a show of hands every holder of Shares present in person or by proxy at a general meeting of the Fund shall have one vote, and on a poll every holder present in person or by proxy shall have one vote for each Share held by him.
- (2) Management Shares confer one vote for each share held on a poll and on a show of hands the holder of Management Shares has one vote. Nominal shares confer the right to exercise only one vote for each person holding nominal shares at general meetings irrespective of the number of shares held by each of these persons.

(c) Dividends

- (1) The Fund in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board. No dividend shall be paid otherwise than out of the profits of the Fund available for distribution and no dividend shall be payable other than to the holders of Shares.
- (2) Dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid; and unless otherwise determined by the Directors Shares will rank for dividends from the beginning of the Accounting Period on which they are issued.
- (3) The Board may at any time declare and pay such interim dividends as appear to be justified by the position of the Fund.
- (4) All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Fund until claimed and the Fund shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Fund.
- (5) The Directors may, before the declaration of any dividend, set aside out of the profits of the Fund such sums as it thinks proper as reserves which may be employed as the Directors think fit.

3. Memorandum of Association

The Memorandum of Association of the Fund provides that the Fund's principal objects are, inter alia, to carry on business as a property investment company. Neither the Memorandum nor the Articles of Association contain any restriction on the investment powers of the Fund. Investors' attention is, however, drawn to "Investment Policies" on page 5 of this document.

The objects of the Fund are set out in full in Clause 3 of the Memorandum of Association.

4. Articles of Association

The following section is a summary of certain of the provisions of the Articles:

(a) Variation of Rights and Alteration of Capital

- (1) If at any time the share capital is divided into different classes of shares the rights attached to any class may, whether or not the Fund is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.
- (2) The Fund at any time may, by ordinary resolution, increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.
- (3) The Fund may by ordinary resolution:
 - (i) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
 - (ii) sub-divide all or any of its shares of a smaller amount than is fixed by the Memorandum of Association;
 - (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (4) The Fund may by special resolution reduce its share capital, subject to the provisions of The Companies (Guernsey) Law, 1994.

(b) Issue of Shares

Subject to any resolution of the Fund in general meeting, the unissued Shares shall be at the disposal of the Directors who may offer, allot, grant options over, or otherwise dispose of them to such persons, on such terms and in such manner as they think fit and the Directors may in their absolute discretion refuse to accept any application for Shares.

(c) Transfer of Shares

Subject to such of the restrictions noted below as may be applicable, any member may transfer all or any of his Shares in any form which the Directors may accept.

The instrument of transfer of a Share must be signed by or on behalf of the transferor, and in the case of a partly-paid share the transferee, and the transferor will be deemed to remain the holder of the Share until the name of the transferee is entered in the register.

The Directors may also refuse to register any transfer unless:

- (i) the instrument of transfer is lodged with the Fund accompanied by the certificate for the Shares to which it relates (if any) and such other evidence as the Directors may reasonably require to prove the title of the transferor or his right to make the transfer; and
- (ii) the instrument of transfer is in respect of only one class of Share.

If the Directors refuse to register a transfer they must, within two months of the date on which the instrument of transfer was lodged, send notice of the refusal to the transferee.

In the case of the death of any one of joint holders the survivor or survivors, and in the case of the death of a sole holder the personal representatives, shall be the only person or persons recognised by the Fund as having any title to or interest in the Shares of the deceased holder.

(d) Redemption

The Company shall redeem any number of Shares at the written request of the holder thereof. The redemption of Shares shall be made on the Subscription Day following the receipt of such written request, provided the requisite notice has been given and determination of the redemption price has not been suspended in accordance with the Articles. Redemption requests may not be withdrawn unless a suspension of valuation has been declared by the Directors and then only during the period of suspension. Where suspension is declared, redemption will take place on the next Subscription Day following the end of suspension. On the day following the Subscription Day, the redeeming Shareholder shall be sent a contract note stating the amounts payable on the redemption and any such amount shall be posted to the redeeming shareholder not less than 5 days after the Subscription Day.

(e) Compulsory Redemption

If it shall come to the notice of the Directors that any Share is owned directly or beneficially by any person; (1) so as to require the Company to have to comply with any law or regulation of any country or governmental authority which in the judgment of the Directors (whose judgment shall be final and binding) would be unduly burdensome on the Company; (2) so as to constitute a fiscal or tax disadvantage to the Fund the Directors may serve a notice on such person requiring him within 30 days to transfer the relevant Shares to a person who is, to the satisfaction of the Directors, qualified, entitled and permitted to hold the Shares. If within 30 days of the giving of the notice the notice has not been complied with the Fund may compulsorily redeem the relevant shares.

(f) Directors

- (1) Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than three.
- (2) The remuneration of each Director shall be determined from time to time by the Directors provided always that the aggregate remuneration of all Directors in any 12-month period shall not exceed £125,000 or such higher amount as may be approved by ordinary resolution.
- (3) The Directors shall also be entitled to be paid their reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Directors or committees of the Board or general meetings.
- (4) Any Director who, by request, performs special or extra services may be paid extra remuneration granted by the Directors.
- (5) A Director who has any material interest in a contract or arrangement or proposed contract or arrangement with the Fund shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered or, if the Director was not at the date of that meeting interested in the proposed contract or arrangement, at the next meeting of the Board held after he becomes so interested. In a case where the Director becomes interested in a contract or arrangement after it is made, such declaration shall be made at the first meeting of the Board held after the Director becomes so interested. A general notice may be given to the Board by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm and he shall be deemed to have made a sufficient declaration of interest under the Articles provided that either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is raised and read at the next meeting of the Board after it is given.
- (6) There is no provision for the retirement of Directors on their attaining a certain age and the Articles do not provide for retirement of Directors by rotation.
- (7) The Board shall have power at any time to 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 the next following annual general meeting and shall then be eligible for re-election.

(g) Borrowing Powers

The Board may exercise all the powers of the Fund to borrow or raise money, to give guarantees and to mortgage, charge, pledge or create any lien over all or part of its undertaking, property and assets (present and future).

The Articles of Association restrict the aggregate amount of borrowings to not more than 65 per cent of the gross assets of the Fund at the time the borrowing is incurred or increased of the value from time to time of the real property investments of the Fund.

(h) Valuation of Net Assets

The determination of the Net Asset Value is carried out by the Administrator under delegated authority from the Directors pursuant to the Articles. The following principles, inter alia, will apply:

- (1) the value of the Fund's interest in real property shall be determined by one of the Valuers and that Valuer shall adjust such valuation if so required by the Directors on such basis as the Directors may think appropriate;
- (2) the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof;
- (3) certificates of deposit, treasury bills, bank acceptances and trade bills shall be valued according to the normal dealing practice therein at noon on the Valuation Day;
- (4) if in any case a particular value is not ascertainable or if the Directors consider that some other method of valuation better reflects the fair value, then the method of valuation shall be such as the Directors in their absolute discretion shall decide;
- (5) there will be deducted all liabilities of the Company and such provisions and allowances for contingencies including tax as the Directors think appropriate and accrued costs and expenses payable by the Company amortised where relevant over such period as the Directors may determine.

(i) Temporary Suspension of Valuation

The Directors may declare a suspension of the valuation of the Shares for the whole or any part of a period during which:

- (1) a breakdown occurs in any of the means normally employed by the Directors on ascertaining the value of investments;
- (2) for any other reason the value of a substantial part, in the opinion of the Directors, of the investments cannot reasonably be ascertained;
- (3) circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practical for the Company to realise or dispose of investments or fairly determine the Net Asset Value of Shares;
- (4) the remittance of funds which will or may be involved in the realisation of or in the payment for investments or the issue, sale or redemption of Shares cannot in the opinion of the Directors be carried out without undue delay and at normal rates of exchange; or
- (5) in the opinion of the Directors such a suspension shall be desirable in the interests of the continuing members.

Notice of any suspension in the calculation of the Net Asset Value will be published in the Gazette Officielle of Guernsey and in such other newspaper as the Directors may from time to time determine or in which the price of shares has been quoted in the immediately preceding 6 month period prior to suspension. Notice of suspension and its termination will be notified without delay to the Irish Stock Exchange. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

5. Reports and Financial Statements

The accounting date of the Fund is 31 December each year. The annual report and financial statements for the Fund in respect of each financial year will be published within six months of the annual accounting date and will be sent to Shareholders and the Irish Stock Exchange upon publication. The Fund will prepare and circulate to Shareholders and to the Irish Stock Exchange within four months of the end of the relevant period a half-yearly report which will include unaudited accounts for the Fund.

The current annual reports and financial statements will be available on the Fund's website www.glanmore.co.uk.

The Fund will maintain its books and records in Sterling, will report its net asset values in Sterling and declare and pay dividends in Sterling.

6. Directors' and other Interests

- (a) At the date of this Prospectus Mr McKean indirectly holds or is interested in 400 Shares in the Fund. Mr Court holds 1600 Shares as part of a Self Invested Pension Plan administered by Rathbone plc and 3850 Shares via a Rathbone Nominee Company. Mr Burns holds in his name 134 Shares as a nominee on behalf of his son. Other than the aforementioned, no Director has any current direct or indirect interest in the share capital of the Fund.
- (b) The aggregate emoluments of the Directors will not exceed £125,000 per annum. In addition, the Directors may be paid their expenses out of the property of the Fund. The Directors' remuneration for the year ended 31 December 2003 was £42,500.

- (c) There are no service agreements in existence between the Fund and the Directors nor are any such agreements proposed.
- (d) Save as disclosed in this paragraph 6, no Director has any interest in any transaction which, since its incorporation, has been effected by the Fund, or any interest, direct or indirect, in the promotion of the Fund or in any assets which have been acquired or disposed of by or leased to the Fund or are proposed to be acquired, disposed of by or lease to the Fund, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is significant in relation to the business of the Fund or unusual in its nature.
- (e) For the purposes of the Fund, the address of all of the Directors shall be the registered office of the Fund.
- (f) No Director has (i) any unspent convictions in relation to indictable offences; or (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any of his assets; or (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangement with its creditors generally or with any class of its creditors; or (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.
- (g) Ian Burns is a director of the Administrator and so may be regarded as interested in all contracts between the Administrator and the Fund.
- (i) Robert Court is a director of Cardales UK Limited and so may be regarded as interested in all contracts between Cardales UK Limited and the Fund.

7. Material Contracts

The following relevant contracts relating to the administration of the Fund have been entered into since incorporation of the Fund and are or may be material:

- (a) **The Management Agreement** dated 17 December 2003 between the Fund and TAMIL, whereby TAMIL has been appointed as Manager to the Fund. Under the terms of the Management Agreement TAMIL shall (a) assume responsibility for the lawful promotion and marketing of the company (b) manage the investment and re-investment of the cash and other assets of the Fund; (c) manage the real property investments of the Fund; (d) perform the administrative duties; and (e) perform the duties in relation to the issue and redemption of Shares, the pricing of them and settlement. TAMIL has delegated certain of its duties for the provision of these services to Cardales and to the Administrator as described under "MANAGEMENT AND ADMINISTRATION" above. Details of the remuneration of the Manager are shown in the section entitled "FEES" on page 12.

In the absence of fraud, negligence or wilful default, neither TAMIL nor any person to whom TAMIL, with the consent of the Fund, shall delegate any of its duties, nor any of their respective employees, officers or agents, shall be liable for any loss or damage suffered by the Fund or any shareholder of the Fund for any act or omission arising directly or indirectly out of any error of judgment or oversight or mistake of law on the part of TAMIL or its delegate or any of their respective employees, officers or agents, made or committed in good faith in the performance of the duties of TAMIL, nor shall TAMIL or its delegate or any of their respective employees, officers or agents, in the absence of fraud, negligence or wilful default, be responsible for any loss or damage which the Fund or any shareholder of the Fund may sustain or suffer as the result of, or in the course of, the discharge of such duties.

The Fund shall indemnify and hold harmless TAMIL and any person to whom TAMIL has delegated any of its duties and their respective employees, officers and agents against all claims and demands (including costs and expenses arising therefrom or incidental thereto) which may be made against TAMIL or any such delegate and their respective employees, officers and agents in respect of any loss or damage sustained or suffered or alleged to have been sustained or suffered by any third party, otherwise than by reason of the fraud, negligence or wilful default of TAMIL or its delegate of any of their respective employees, officers or agents.

The Management Agreement may be terminated; (i) on the later of the 7 March 2017 and the date of dissolution of the Company; (ii) by the Fund or TAMIL, at any time by notice in writing, if (a) an order is made or a resolution is passed for the winding-up of the other party (except a voluntary liquidation for the purpose of a reconstruction or amalgamation upon terms previously approved in writing by the Fund and the Custodian) or its affairs are declared to be en État de desastre; or (b) a receiver is appointed over the undertaking of the other party of any part thereof; (iii) by the Fund at any time by notice in writing if (a) TAMIL ceases to be resident in Guernsey for fiscal purposes; or (b) TAMIL ceases to be licensed under the law; or (c) TAMIL shall commit any breach of its obligations under the agreement and, if capable of remedy, shall fail within 30 days of receipt of notice served by the Directors requiring it to do so to make good such breach; (iv) by TAMIL at any time by notice in writing if the Fund shall commit a breach of any of its obligations and, if capable of remedy, shall fail within 30 days of receipt of notice by TAMIL requiring it to do so make good such breach.

If there is a change of control of TAMIL the Fund may consent to this (with such consent not to be unreasonably withheld). It shall only be reasonable for consent to be withheld if it is reasonable to anticipate that such change of control will have a material adverse impact on TAMIL's ability to perform its obligations under the Management Agreement. If such change of control will have a material impact on TAMIL's ability to perform its obligations under the Management Agreement the Fund may serve 3 months' notice to terminate the Management Agreement specifying why consent has not been given.

- (b) **The Property Advice Agreement** dated 10 December 2003 between the Fund and Cardales, whereby Cardales has been appointed to act as Property Adviser to the Fund. Under the Property Advice Agreement Cardales will provide, directly to the Directors of the Fund, advice on all property issues including, in particular, the identification, recommendation and negotiation of suitable property investments and also for the disposal of property assets from time to time. Details of the remuneration of the Property Adviser are shown in the section entitled "FEES" page 12.

In the absence of fraud, negligence or wilful default, neither the Property Adviser, nor any of its employees, officers or agents, will be (i) liable for any loss or damage suffered by the Fund or any shareholder of the Fund for any act or omission arising directly or indirectly out of any error of judgment, oversight or mistake of law on its part or on the part of any of its employees, officers or agents, made or committed in good faith in the performance of its services; or (ii) responsible for any loss or damage which the Fund or any shareholder of the Fund may sustain or suffer as the result of, or in the course of, the discharge of its services.

The Fund will indemnify and hold harmless the Property Adviser and its employees, officers and agents against all claims and demands, including costs and expenses arising, which may be made against the Property Adviser and its employees, officers and agents in respect of any loss or damage sustained or suffered or alleged to have been sustained or suffered by any third party, otherwise than by reason of fraud, negligence or wilful default of the Property Adviser or any of its employees, officers or agents.

The Property Advice Agreement may be terminated by either party; (i) on the later of the 7 March 2017 or the date of dissolution of the Company; (ii) at any time by giving notice in writing to the other party if the other party suffers an insolvency event; and (iii) at any time by giving notice in writing to the other party if the other party commits any material breach of its obligations under the agreement and, if such breach is capable of remedy, fails within 30 days of receipt of notice served by the other party requiring it so to do to make good such breach.

- (c) **The Administration Agreement** dated 20th July 2004 between the Administrator and TAMIL, as Manager to the Fund, whereby TAMIL has delegated to the Administrator certain of its administrative duties and functions under the Management Agreement. Under the terms of the Administration Agreement, the Administrator is responsible for the day-to-day administration, secretarial and registrar functions of the Fund. The Administrator is also responsible for preparing the Net Asset Value on each Valuation Day. Details of the remuneration of the Administrator are shown in the section entitled "FEES" on page 12.

The Administrator shall not be liable for any error of judgement or for any loss suffered by the Manager or the Fund, unless such loss arises from the gross negligence, fraud or wilful default on the part of the Administrator. Subject to the foregoing, the Manager hereby undertakes to hold harmless and indemnify the Administrator against all actions, proceedings, claims, costs, demands and expenses which may be brought against suffered or incurred by reason of its performance of its duties under the terms of the agreement including all legal, professional and other expenses incurred except such as shall arise from the gross negligence, fraud, or wilful default of the Administrator and in particular (but without limitation) this protection and indemnity shall extend to any such items aforesaid as shall arise as a result of loss, delay, misdelivery or error in transmission of any telexed or telefaxed communication.

The Administrator shall not be responsible for any loss or damage to the Fund or for any failure to fulfil its duties as outlined in the agreement if such loss, damage or failure shall be caused by or directly or indirectly due to war, damage, enemy action, the act of any Government or other competent authority, riot, civil commotion, rebellion, storm, tempest, accident, fire, strike, lock-out or other cause whether similar or not beyond the control of the Administrator.

This agreement may be terminated by either party on giving not less than 90 days' notice in writing to the other party given so as to expire on the last day of any calendar month provided that this agreement may be terminated forthwith if; (a) either party has broken or is in breach of any of the terms of this agreement (other than a breach which in the opinion of the other party is of a trivial nature) and, if such breach is capable of remedy, shall not have remedied such breach within thirty days after service of notice requiring the same to be remedied; or (b) either party has gone into liquidation of an order has been made or a resolution has been passed to put either party into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation); (c) this agreement shall also terminate in the event of and forthwith upon the termination of the Management Agreement.

- (d) **The Custodian Agreement** dated 1 August 2004 between the Fund, the Custodian and the Manager whereby Investec Bank (Channel Islands) Limited has been appointed custodian of the Fund with the power to delegate. The Custodian has no responsibility for the selection of investments. Details of the remuneration of the Custodian are shown in the section entitled "FEES" on page 13.

In the absence of fraud, negligence or wilful default, neither the Custodian, nor any of its employees, officers or agents, will be liable to the Fund or any shareholder of the Fund or to the Manager or the Administrator for any act or omission arising directly or indirectly out of any error of judgment, oversight or mistake of law on its part or on the part of any of its employees, officers or agents, made or committed in good faith in the performance of its duties nor shall the Custodian or any of its employees, officers or agents, in the absence of fraud, negligence or wilful default, be responsible for any loss or damage which the Fund or any shareholder of the Fund or the Manager or the Administrator may sustain or suffer as the result of, or in the course of, the discharge of its duties.

The Fund will indemnify and hold harmless the Custodian and its employees, officers and agents against all claims and demands (including costs and expenses arising therefrom or incidental thereto) which may be made against the Custodian or any of its employees, officers and agents in respect of any loss or damage sustained or suffered by any third party, otherwise than by reason of fraud, negligence or wilful default of the Custodian or any of its employees, officers or agents.

The Custodian Agreement may be terminated by either the Fund or the Custodian; (i) by giving not less than three months' notice to the other party; or (ii) by giving not less than 30 days' notice in writing to the other party if the other party commits any breach of its obligations under the agreement and fails to make good such breach within 30 days of receipt of such notice requiring it to do so; or (iii) at any time, by giving notice in writing to the other party, if the other party shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by all parties to the agreement) or if a receiver of any of the assets of either party is appointed of the affairs of either party are declared to be en état de desastre. The Fund may also terminate the agreement if the Custodian ceases to be a resident in Guernsey for fiscal purposes; or if the Custodian ceases to be qualified to act pursuant to the articles of the Fund. So long as there are Shares in issue, the Custodian shall not be entitled to retire unless another custodian has been appointed in place of the outgoing Custodian;

- (e) **Valuers Appointment letter** dated 13 May 2004 between Chesterton plc, the Fund, the Manager and the Administrator pursuant to which the Valuer is appointed to provide valuation to the Administrator of the Fund's real property investment for the purpose of calculating the Net Asset Value of Shares and on acquisition of properties to the Lending Bank. The Valuer's appointment may be terminated by the Valuer or the Fund giving not less than two months' notice in writing to the other. The fees payable to Chesterton plc are set out on page 13.
- (f) **Valuers Appointment letter** dated 13 May 2004 between Lambert Smith Hampton Limited, the Fund, the Manager and the Administrator pursuant to which the Valuer is appointed to provide valuation to the Administrator of the Fund's real property investment for the purpose of calculating the Net Asset Value of Shares and on acquisition of properties to the Lending Bank. The Valuer's appointment may be terminated by the Valuer or the Fund giving not less than two months' notice in writing to the other. The fees payable to Lambert Smith Hampton Limited are set out on page 13.

8. Share Certificates

Shares will be in registered form. Certificates will be issued only upon request from Shareholders.

The Register of Shareholders will be maintained at the office of the Administrator.

9. General Meetings

The annual general meeting of the Fund will be held in Guernsey or such other place as the Directors may determine. Notices convening the annual general meeting in each year at which the audited financial statements of the Fund will be presented (together with the Directors' Report and Accounts of the Fund) will be sent to shareholders at their registered addresses not later than 21 days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders at their registered addresses or by Shareholders requisitioning such meetings in accordance with Guernsey law, and may be held in Guernsey or elsewhere.

10. Group Structure

The Fund is the holding company for a number of subsidiaries, incorporated in Jersey, Scotland, England and Wales. These subsidiaries are special purpose vehicles holding properties and interests in properties and have been acquired or established by the Fund as a means of bringing the value of the underlying properties into the Fund

11. Documents available for inspection

For a period of not less than 14 days from the date of this Prospectus, copies of the following documents may be inspected free of charge during normal business hours on any week day (Saturdays and public holidays excepted) at the offices of the Administrator, and at the registered office of the Fund:

- (a) the Memorandum and Articles of Association of the Fund;
- (b) the agreements referred to under "Material Contracts" above;
- (c) the letter of consent from KPMG Limited;
- (d) the Companies (Guernsey) Law, 1994;
- (e) the audited accounts of the Fund for the year ended 31 December 2003.

Copies of the Memorandum and Articles of Association of the Fund and the latest financial reports of the Fund may be obtained, free of charge, upon request at the registered office of the Fund.

12. Miscellaneous

- (a) The Fund has not, since its incorporation, been involved in any legal or arbitration proceedings (except in relation to Landlord and Tenant matters) and no legal or arbitration proceedings are known to the Directors to be pending or threatened against the Fund.
- (b) No person has, or is entitled to be given, an option to subscribe for Shares.
- (c) No share or loan capital of the Fund is under option or has been agreed conditionally or unconditionally to be put under option or has been issued or is proposed to be issued for a consideration other than cash.
- (d) As at 30th April 2004, the Fund had borrowings of £193,692,250. Other than the aforementioned borrowings, the Fund has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, or guarantees or other contingent liabilities.
- (e) The Fund does not have a place of business in the United Kingdom.
- (f) To the extent not held as security for the Fund's borrowings the deeds and other documents relating to the properties will be held by the Custodian on behalf of the Fund.
- (g) Notice of meetings and other notices from the Fund will be sent to United Kingdom resident holders of Shares by post to their registered addresses.

APPENDIX I

PROCEDURE FOR APPLICATION

If you wish to apply for Shares you must complete the attached Application Form in accordance with the instructions printed thereon and send it together with payment in full by cheque, bank draft or telegraphic transfer. Applications sent by post should be addressed to INVESTEC ADMINISTRATION SERVICES LIMITED, INVESTEC HOUSE, PO BOX 290, LA PLAIDERIE, ST. PETER PORT, GUERNSEY, CHANNEL ISLANDS GY1 3RP and marked ATTN: GLANMORE FUND. Applications sent by facsimile transmission should be sent to INVESTEC ADMINISTRATION SERVICES LIMITED, FAX NO +44 1481 741270 Applications must be sent so as to arrive not later than 5 business days prior to the relevant Subscription Day.

Cheques and bank drafts should be made payable to THE GLANMORE PROPERTY FUND LIMITED and crossed "Not Negotiable". Monies sent by telegraphic transfer must be in Sterling and should be sent to Royal Bank of Scotland Int, Ltd. St. Peter Port Guernsey C.I. Sort Code 16.20.29 Account No. 10086261 Account Name: The Glanmore Property Fund Limited. An application will not be valid unless these requirements are fulfilled and cheques and bank drafts presented for payment are honoured on first presentation. All cheques will be presented on receipt by the Administrator.

Applicant undertakings

By completing and delivering an Application Form together with payment each applicant undertakes to the Company as follows:

- (a) it acknowledges the right of the Company to scale down applications and to reject applications in whole or in part. In such case application monies will be returned to applicants by cheque sent through the post at the applicant's own risk;
- (b) any application shall be irrevocable and any cheque or bank draft presented for payment will be honoured on first presentation;
- (c) the application and any issue of Shares made on and subject to the terms and conditions of this document, the Application Form and the Articles;
- (d) the application for Shares is based solely upon the information in this document and no other information or representation has been relied upon; and
- (e) any monies returned to it will not include any interest which may have been earned while they were held by the Administrator.

MONEY LAUNDERING DECLARATIONS

The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations 2002 require the Company to establish the identity of the person by whom or on whose behalf an application form is lodged with payment.

The applicant or agent lodging an application form shall be deemed to agree to provide the Company with such information and other evidence as the Company may require to satisfy the Verification of Identity Requirements.

Shares will not be allotted to the applicant until the Verification of Identity Requirements have been complied with to the satisfaction of the Company.

The documentation required to comply with the Verification of Identity Requirements will vary depending on the type of applicant, the nature of the relationship between the Company and the applicant, and whether the applicant is in a Recognised Jurisdiction as defined under Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations 2002. Recognised jurisdictions are:

"Recognised Jurisdiction"

Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Greece, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, United States of America

APPLICANTS FROM RECOGNISED JURISDICTIONS

INDIVIDUAL APPLICANTS:

The Company will require the following due diligence documents to accompany the application form:

- a) A certified copy passport or national identity card which must contain the identity of the applicant, the number of the document, a clear photograph of the applicant, the signature of the applicant as well as the date and place of issue of the document and expiry date.
 - b) An original telephone, water, electricity or similar invoice addressed to the residential address(es) for review and return. The invoice should not be more than three months old. The Company will be pleased to return the original document if requested to do so.
- N.B. Should any other party retain signing authority over the investment (e.g. financial advisor) then due diligence documentation will also be required by the Company.

CORPORATE APPLICANTS OTHER THAN NOMINEE COMPANIES:

The Company will require the following due diligence documents to accompany the application form:

- a) A certified copy of the applicant's statutory documents. This will include the Certificate of Incorporation, Change of Name Certificate (if applicable), the Memorandum and Articles of Association and the authorised signatory list.
- b) Due diligence documentation as for individual applicants will be taken on the beneficial owner and a maximum of four principal Directors (or the authorised signatories if the Directors and signatories are not the same).
- N.B. Where the applicant is a plc quoted on the stock exchange of the jurisdiction of the applicant then it will be sufficient to supply a copy of the latest set of audited annual accounts and the authorised signatory list.

CORPORATE APPLICANTS NOMINEE COMPANIES:

The Company requires that the nominee confirm:

- a) The jurisdiction in which the nominee operates.
- b) The nominee is regulated and giving details of its regulatory body.
- b) That the nominee has obtained satisfactory due diligence on the applicant (a certified copy passport of the applicant and an address confirmation).
- c) That they will supply copies of due diligence to the Company on demand.

APPLICANTS FROM NON-RECOGNISED JURISDICTIONS

The Company will require all applicants from non-recognised jurisdictions to provide the equivalent documentation that would accompany an application form from a recognised jurisdiction (as above), as a minimum. However, all applications from non-recognised jurisdictions will be considered on a case-by-case basis and additional due diligence documentation may be requested.

APPLICATION FORM

This Application Form should be completed and sent to INVESTEC ADMINISTRATION SERVICES LIMITED, INVESTEC HOUSE, PO BOX 290, LA PLAIDERIE, ST. PETER PORT, GUERNSEY, CHANNEL ISLANDS GY1 3RP. *Telegraphic Transfer details;* Royal Bank of Scotland International, St Peter Port, Guernsey Sort Code 16 20 29, Account Number 10086261 Account Name: The Glanmore Property Fund Limited - Client Monies. The procedure for Application is set in the Prospectus.

To: The Directors of The Glanmore Property Fund Limited.

Gentlemen,

I offer irrevocably to subscribe the amount stated below for Shares on the terms of the document attached to this application and the Prospectus and subject to the Memorandum and Articles of Association of the Company and subject to the laws of Guernsey.

I enclose payment crossed "Not Negotiable" - or - I confirm that payment has been made by telegraphic transfer to the above account, for the sum set out below. I acknowledge that the number of Shares, which are the subject of this Application, shall be calculated by dividing the above sum by the Offer Price determined in accordance with the Prospectus. I agree to accept the same or any lesser number of Shares in respect of which this Application may have been accepted. I acknowledge that fractions of Shares may be issued.

I understand that the completion of this Application Form accompanied by a cheque or bank draft or confirmation that monies have been remitted by telegraphic transfer constitutes a warranty that the cheque or bank draft will be honoured on first presentation and constitutes an acceptance of the other terms and conditions of application set out in Prospectus. I understand that no application will be accepted unless and until payment in full for the Shares has been made.

Section 1 - Investors

Existing client Yes No If yes, provide Holder Code: _____

1a) Individuals

Title: Mr/Mrs/Miss/Ms/Other. Surname: _____ Forename(s): _____

Marital status (please tick where appropriate): Single Married Divorced Other

Date of birth: ____/____/____ Sex: (please tick where appropriate): Male Female

Country of birth: _____ Nationality: _____

Residential address: _____

Postcode: _____

Country of residence: _____

Address for Correspondence (if different from above) _____

Postcode: _____

Telephone number: _____ Fax number: _____

E-mail address: _____

Occupation: _____

Industry/Employer: _____

Signed:

Due diligence documentation supplied in accordance with the requirements of the Money Laundering
Declarations of the Fund Prospectus



1b) Individuals

Title: Mr/Mrs/Miss/Ms/Other. Surname: _____ Forename(s): _____

Marital status (please tick where appropriate): Single Married Divorced Other

Date of birth: ____ / ____ / ____ Sex: (please tick where appropriate): Male Female

Country of birth: _____ Nationality: _____

Residential address: _____
_____ Postcode: _____

Country of residence: _____

Address for Correspondence (if different from above) _____

Postcode: _____

Telephone number: _____ Fax number: _____

E-mail address: _____

Occupation: _____

Industry/Employer: _____

Signed:

Joint Applicants - If you wish the Administrator to act upon instructions placed by any one investor on behalf of all joint investors please tick the box

N.B. If you select this option you must be aware of the following applicable Terms and Conditions:

- (a) We authorise the Administrator to act upon the instructions given in writing (and, if we have so elected by facsimile) with regard to the Shares signed or purportedly signed by **any one of the investors above**, without any liability in respect of any transfer, payment or other act made or done or omitted to be done in accordance with such instructions and notwithstanding that it shall be shown the same was not signed or sent by the relevant person with the express authority of all joint investors.
- (b) We confirm that these authorisations shall apply to further Shares of the Fund purchased, transferred or otherwise held registered jointly in all of the names of the signatories above.
- (c) We acknowledge that this does not apply to Stock Transfers. All joint signatories must sign such instructions.
- (d) We agree that this authorisation shall remain in force until notice in writing of its termination or replacement is received by the Administrator and any such notice shall be without prejudice to the completion of transactions already initiated by the Administrator pursuant to the above terms.

Due diligence documentation supplied in accordance with the requirements of the Money Laundering Declarations of the Fund Prospectus

1(c) Trust/Company/Corporations

Trust/Company/Corporation Name: _____

Registration number: _____ Country of incorporation: _____

Physical address: _____

Registered address: _____

Contact details of Trust/Company/Corporation Name:

Title: Mr/Mrs/Miss/Ms/Other. Surname: _____ Forename(s): _____

Telephone number: _____ Fax number: _____

E-mail address: _____

Signed:

Due diligence documentation supplied in accordance with the requirements of the Money Laundering Declarations of the Fund Prospectus

Section 2 - Subscription details

2a) Investment Details

Investment amount: _____ GBP
(Minimum initial investment is not less than £5,000, plus front-end fee)

Tick this box if you want dividends to be re-invested in new shares at NAV + 1%
(Account must be in the name of the holder or for joint holders any one or more of the holders)

If you wish to receive future dividends in the form of fully paid Shares, place a tick in the above box. Your cash dividend will then be applied in subscribing for new Shares and you will then be allotted such new Shares (or fractions thereof), subject to the terms of the Memorandum and Articles of Association, on the Subscription Day immediately following the relevant dividend declaration date an Offer price per Share equal to the Net Asset Value thereof plus 1%. A mandate may only be made in respect of your entire holding of Shares and will remain valid until revoked or terminated by you giving notice in writing to the Company's registrars, Investec Administration Services Limited, at the address given above. Such notice will take effect upon its receipt by the Company's registrars in respect of all dividends payable on or after the date of receipt of such notice.

2b) Bank Account Details

Account number: _____

(Account for receipt of dividends and to which sale/redemption proceeds will be paid)

Account name (which must be same as Investor): _____

Bank: _____ Branch: _____

Country: _____ Sort code: _____

Telegraphic/Swift address: _____

Agents Details

Name _____

Firm _____

Address _____

Postcode _____

Telephone _____

VAT Registration Number _____

Regulator _____

S.I.B. No _____

Agents Stamp

Agency Number:

Commission Terms:

Initial:

Client Discount:

Applicants are reminded that The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations 2002 require the Company to establish the identity of the person by whom or on whose behalf an application form is lodged with payment. Full details of the documentation required by the Company are detailed in Appendix II of the Prospectus.

Facsimile Authorisations

If you do not wish the Administrator to act upon instructions placed by facsimile please tick the box

N.B. If you do not select this option you must be aware of the following applicable Terms and Conditions:

- Having provided redemption bank account details, I/We have authorised the Administrator to act upon redemption instructions placed by facsimile with regard to the Shares subscribed for (and any further Shares purchased) without liability in respect of any transfer, payment or other act done in accordance with such instructions and notwithstanding that it shall be shown the same was not signed or sent by me/us.
- We confirm that these authorisations shall apply to further Shares of the Fund purchased, transferred or otherwise held registered jointly in all of the names of the signatories above.
- We acknowledge that this does not apply to Stock Transfers. Such instructions must be placed in original written form.
- We agree that this authorisation shall remain in force until notice in writing of its termination or replacement is received by the Administrator and any such notice shall be without prejudice to the completion of transactions already initiated by the Administrator pursuant to the above terms.

Valuations

If you wish to receive monthly valuations by e-mail or facsimile, please tick the relevant box e-mail facsimile
(If this option is chosen, please ensure that you have completed your e-mail and facsimile details)

This application can also be faxed to: Investec Administration Services Limited on +44 1481 741270



BANK TRANSFER INSTRUCTION LETTER

Institution/Bank Name _____

Attention _____

Address _____

Country _____

Post Code _____

Dear Sirs,

Reference: **Account Number**

Account Name

Please accept this letter as my/our instruction that you should pay, by bank transfer, for value

The _____ day of _____ 20 _____ the sum of: _____

Currency _____ Amount in figures _____

Amount in words _____

To **Royal Bank of Scotland International**

Address St Andrews House, St Peter Port, Guernsey

Swift Code SGGSP

Sort Code 16 20 29

Account No. 10086261

Account Name The Glanmore Property Fund Limited Clients Account

Reference _____

Please debit my/our above mentioned account and advise and acknowledge.

Yours sincerely

..... Date _____
(Authorised Signature)

Name _____ Position (if any) _____

..... Date _____
(Authorised Signature)

Name _____ Position (if any) _____