

Insight Foundation Property Trust Limited

Estimated NAV	97.5 pence per share
Total shares issued	26,000,000
Mid Share Price	105 pence (27/08/04)
Gross Asset Value	£293.25m
Number of properties	64
Average lot size	£4.58m
Average lease length	9 years

Ex Dividend date	30 October 04
Financial year End	31 March 05
Current Debt	£45m
Arranger	Rothschild
Gearing	15%
Currency	GBP
Domicile	Guernsey

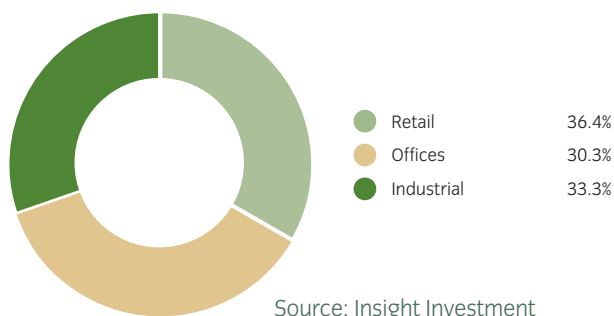
Investment strategy

To provide Shareholders with an attractive level of income together with the potential for income and capital growth from investing in UK commercial property.

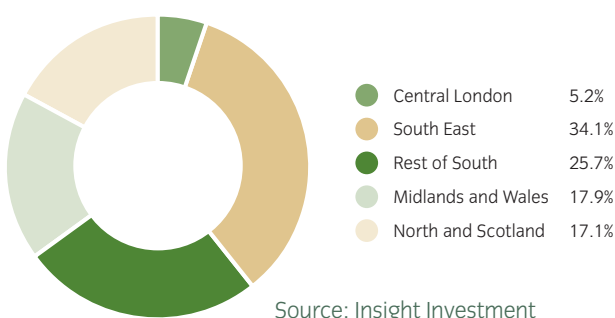
Fund Launch

The Insight Foundation Property Trust (IFPT) was launched on 16 July 2004 with the 260 million share offer oversubscribed. The fund has acquired 64 properties valued in total at £293m, with the total fund set up costs estimated to be 2.5 pence per issued share. We are pleased to report that since inception the fund has been trading at around 105 pence per share, a premium to NAV. Total debt in the portfolio is currently £45m. It is the intention to acquire up to a further £100m of property in order to further diversify the portfolio and further enhance performance.

Fund Overview



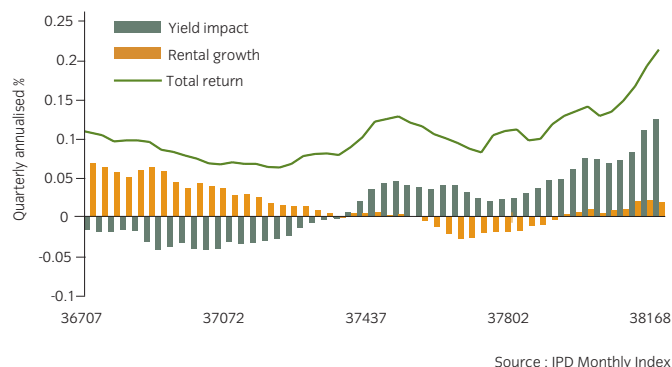
The portfolio is well diversified by region and sector with retail properties accounting for the greatest proportion of value. In comparison to its direct property benchmark the portfolio has a higher proportion of its assets in the high yielding industrial sector and a lower proportion in the retail sector. Geographically the South East (excluding Central London) accounts for the largest share of portfolio value, the Central London market accounts for the smallest share of value.



Property Market in 2004

According to the IPD Monthly Index total returns on UK commercial property accelerated over the three months to June 2004 recording an annualised return of 21.3%, up from 14.8% over the previous three months. The comparable figures for Equities and Gilts were 9.1% and -5.0%, respectively (Source: IPD). Over a longer term, property remains the strongest performing asset over 3, 5 and 10 years. One of the key drivers of the acceleration in performance has been the marked improvement in sentiment towards future occupier demand, especially within the South East office market. Strong investor demand for commercial property has also resulted in higher prices.

UK Property Performance



Portfolio Investment Activity

We are optimistic that we will acquire more properties soon. New properties will either meet or exceed the forecast returns set out in the base model. Purchases will be funded by a senior debt facility arranged with Rothschild and will ultimately bring the gross asset value of the Trust close to £400m. New acquisitions will fulfil the strategic objectives of the fund to acquire properties with above average income yield and the potential to add value with active management, in order to underpin future dividends and capital growth. We have already identified a number of potential purchases which, if we are successful in acquiring, will also increase the portfolio running yield.

Asset Management Highlights

Brentford (Industrial)

The trust is in advanced negotiations with a current occupier to redevelop a new warehouse facility. This could significantly enhance the asset and result in a longer occupational lease.

Wembley (Office)

Insight has received an offer from a special purchaser at a substantial premium to valuation. Insight are reviewing the offer taking into consideration the current asset management activity at the property and the wider redevelopment of area.

Hemel Hempsted (Retail)

Insight are currently considering the disposal of this asset.

Scunthorpe (Retail)

The lease guarantor has paid the outstanding rental arrears on this property and has identified a potential occupier for this property. Insight are currently in direct discussions with the proposed new tenant with a view to negotiating a new lease on a longer term than is currently in place. If agreed this is likely to result in a uplift in the value of this property.

Havant (Industrial)

The lease of unit 2 completed in line with the business plan.

Largest Tenants

Freshfields	6.3%
BBC	3.9%
Grand Metropolitan Estates Ltd	3.9%
Jarvis Porter (Property Holdings) Ltd	3.4%
Recitice SA	3.3%
Concept Automotive Services Ltd	2.5%
Parametric Technology (UK) Ltd	2.4%
Veale Wansbrough Solicitors	2.3%
TW Osbourne & MR Fullerlove	2.1%
CRP Print & Packaging Ltd	2.1%
Total income	32.3%

Contacts

Fund Broker

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FAO Richard Cotton (Managing Director, Corporate Finance)

Fund Administration

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FAO Paul Smith (Managing Director, RBSI Guernsey)

Investment Manager

Insight Investment Management
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London
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Tel: 020 7930 5474
FAO Duncan Owen (Managing Director, Property)

Principle Holdings

Reynard Business Park, Brentford	5.9%
20/22 Tudor Street, London, EC4	5.2%
Union Park, Fifers Lane, Norwich	4.1%
Rectical Unit, Alfreton	3.5%
Victoria Plaza, Bolton	3.4%
06 Oxford Road, Uxbridge	2.9%
The Quadrant, Woodlands Lane, Bristol	2.9%
Olympic Office Centre, Wembley	2.8%
Weldon North Industrial Estate, Brakeley	2.8%
Horton Park Industrial Estate, Horton	2.7%
Total Value	36.2%

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