QUARTERLY FACTSHEET – NUMBER TWO, OCTOBER 2004

Insight Foundation Property Trust Limited

Insight INVESTMENT

HBOS plc

NAV (30/9/04)	101.37 pence per share	**Next Ex Dividend date**	27 October 04
Total shares issued	260,000,000		26 January 05
Mid share price	110.5 pence (30/09/04)	**Financial year end**	31 March 05
Gross property value	£349.68m (30/09/04)	**Current debt**	£98m
Number of properties	73	**Arranger**	NM Rothschild
Average lot size	£4.79m	**Current gearing**	28% loan to value
Average lease length	9 years	**Currency**	GBP
		Registered office	Guernsey

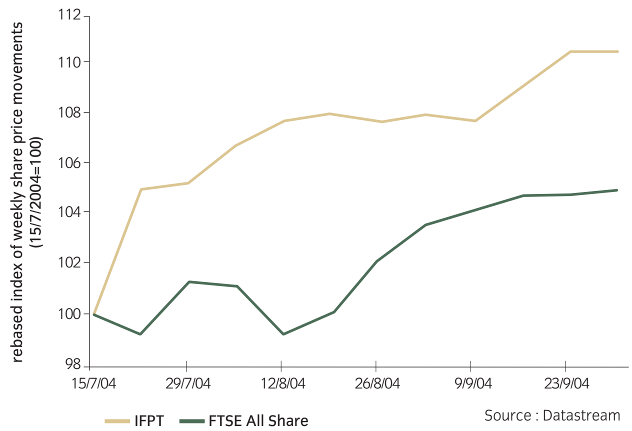
Investment objective

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

IFPT share overview

The Trust's shares have risen from a launch value of 100p to 110.5p on 30 September 2004, a 13% premium to the launch NAV. The IFPT is delighted to announce that the net asset value has risen to 101.37 pence per share as a result of an increase in the value of the Trust's properties. The uplift in the share price over the period to 30 September is 10.5%.

Share performance analysis



Source : Datastream

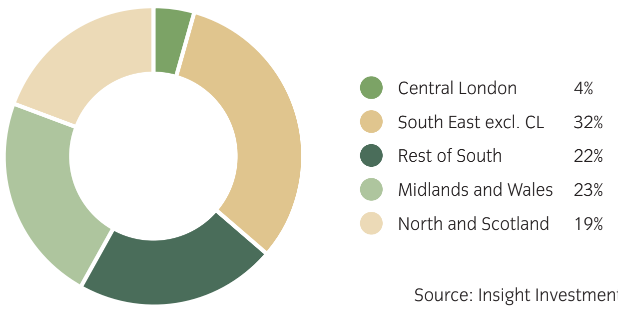
Portfolio activity

Nine further properties were acquired by the Trust in September which have been valued at £49.5m and produce an initial yield of 7%. These properties enhance the income yield and improve the weighted unexpired lease length of the portfolio. The Trust expects to complete the purchase of one further asset in November and is actively seeking to invest the remaining funds. All future purchases will be expected to meet or exceed the performance criteria set out in the prospectus.

Portfolio structure

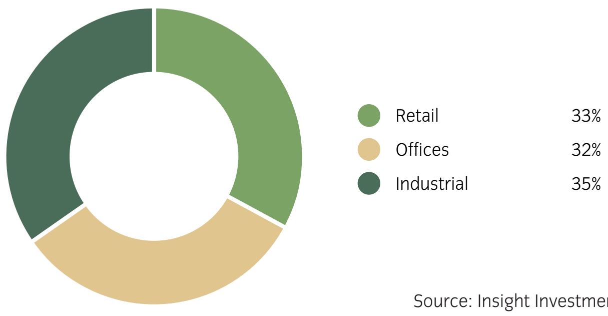
The sector balance of the Trust has changed little as a result of the new acquisitions which comprised a diverse portfolio of retail, office and industrial investments.

Sector weightings



Source: Insight Investment

Regionally the new properties have slightly reduced the Trust's bias towards Southern markets in favour of the Midlands and the North. Overall the Trust remains well diversified across all regions and sectors of the UK commercial property market.



Source: Insight Investment

Property market performance

The commercial property market continues to outperform both equities and bonds producing an annualised total return of 20.5% over the three months to the end of August 2004 as compared to 6.4% for the All-Share index and 12.1% for 5-15 year gilts. Investor demand for the asset class remains very strong which continues to increase prices. The last few months have seen a moderation in the rate of capital growth, possibly as a result of higher interest rates. The retail sector remains the strongest performing sector as a result of good rental growth and strong investor demand.

Portfolio highlights

Acquisitions

Portfolio. The Trust acquired 9 properties let to 32 tenants producing a total annual rent of £3.65 million that reflect an initial yield of approximately 7%. There are a number of immediate opportunities to add value through asset management.

Manchester Industrial. Contracts have been exchanged in connection with the acquisition of a new warehouse / distribution unit in South Manchester let to a good covenant. The price of £2.15m reflects a net initial yield of 7.17% and the property offers good prospects for future rental growth.

Disposals

Hemel Hempstead. Terms have been agreed to sell three retail units. We will confirm the price at exchange of contracts.

Wembley Office. Negotiations are continuing with potential purchasers for the Trust's office investment in Wembley. In light of these sensitive discussions further detail will be provided in due course.

Active management

Brentford Industrial. At the Gate Centre, Brentford, terms have been agreed to let two prominent units to a car showroom operator on a longer lease at a materially higher rent. The proposed transaction is subject to planning but in the intervening period the proposed tenant will take a lease of one of the units. A short-term lease extension has been agreed on the other unit during the planning period.

Ten largest holdings

Reynard Business Park, Brentford	4.9%
20/22 Tudor Street, London, EC4	4.4%
The Albion Centre, Ilkeston	3.8%
Union Park Industrial Estate, Norwich	3.5%
Olympic Office Centre, Wembley	2.9%
Rectical Unit, Alfreton	2.9%
Victoria Plaza, Bolton	2.8%
106 Oxford Road, Uxbridge	2.5%
The Quadrant, Bristol	2.5%
The Gate Centre, Brentford	2.5%
Percentage of total gross value	32.7%

Ten largest tenants

Freshfields Services Company	5.5%
BBC	3.4%
Grand Metropolitan Estates Ltd	3.4%
Recticel SA	3.0%
Jarvis Porter (Property Holdings) Ltd	3.0%
Concept Automotive Services Ltd	2.2%
Tucker, Crossland Darke (Irwin Mitchell)	2.2%
Parametric Technology (UK) Ltd	2.1%
Clinton Cards (Essex) Ltd	2.0%
Veale Wasbrough Solicitors	2.0%
Percentage of total income	28.8%

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