

Insight Foundation Property Trust Limited

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|-----------------------------|--------------------------------|--------------------------------|---------------------|
| NAV | 106.4 pence (30 June 2005)* | Ex dividend dates | 28 October 2005 |
| Total Shares Issued | 260,000,000** | | 25 January 2006 |
| Mid share price | 114 pence (30 June 2005) | Next financial year end | 31 March 2006 |
| Gross property Value | £384.48 million (30 June 2005) | Current Debt | £152.5 million |
| Number of properties | 72 (30 June 2005) | Arranger | NM Rothschild |
| Average lot size | £5.34 million | Gearing | 39.6% loan to value |
| Average lease length | 8.2 years | Currency | GBP |
| | | Registered Office | Guernsey |

* Prior to the dividend payment.
**Prior to new equity issue.

Investment objective

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

IFPT performance overview

The Net Asset Value ('NAV') of the Company increased to 106.4 pence per share, reflecting an uplift of 1.09 pence per share, or 1.04% over the previous quarter. In accordance with new accounting standards, the NAV of 106.4 pence per share includes for the first time the possible negative impact of approximately 2 pence per share for marking the cost of fixing the loan to current interest rates ('mark to market').

The 11.5 months to the end of June have seen the underlying NAV increase by 9.1% from 97.5 pence per share at launch. The June 2005 quarterly property portfolio valuation was £384.48 million, reflecting a 2.83% capital uplift over the March valuation. The Company paid a fourth dividend on the 12 August increasing the total dividends paid to 6.75 pence per share. As at 11 August the Company's share price was 116 pence per share, reflecting a premium to NAV of 10.9%.

C Share Issue

The Company has raised £100 million of additional equity through the issue of a new class of C Shares. The issue was substantially over-subscribed and closed on the 15 July. The issue enables the Company to retain core assets but also tactically shift its bias towards London and South East offices with new acquisitions. Following the successful investment in new properties, the new C Shares have been converted into Ordinary Shares. The conversion rate was set at 0.9356 Ordinary Shares for each C Share. This increases the total number of shares to 353,560,000. The Company's ranking in the FTSE Small Cap Index is now 317, potentially resulting in future entry into the FTSE 350 in September.

Portfolio Activity

There has been considerable transactional and asset management activity since the last Factsheet. In particular London office properties totalling over £52 million have been acquired and two properties totalling £13.9 million have been sold for material premiums to purchase price.

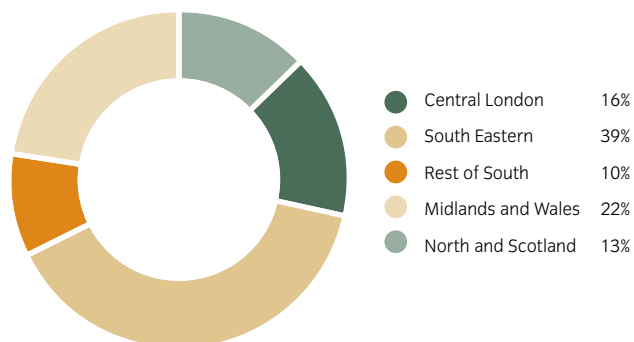
Property market performance

The second quarter of 2005 witnessed acceleration in the performance of the commercial property market with lower interest rates underpinning a further strengthening. The IPD

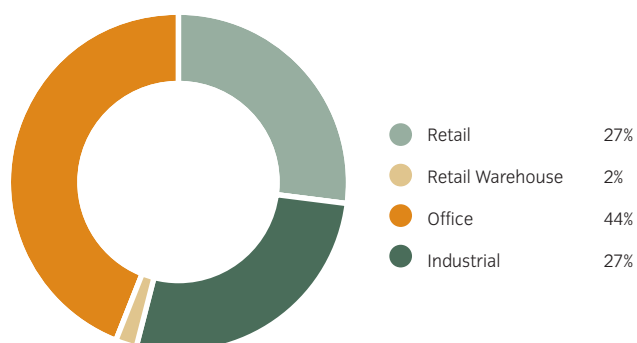
Monthly Index reported annualised total returns in the three months to June of 19.2%; relative to 11.1% for the period to March. Rental growth is modest but now evident across all the sectors with the retail sector remaining the strongest. However, we now anticipate future rental growth being strongest in the London and South East office sectors.

Portfolio structure

The portfolio structure incorporates valuation data as at June 2005, but also includes the new acquisitions of Minerva House and Mid City Place, and excludes recent disposals.



The Company maintains a balanced and diversified profile with 73 (as at 26 August 2005) assets spread across the UK in the retail, office and industrial sectors. Recent acquisitions have tactically increased the London office weighting.



Asset management highlights

Acquisitions

The Company completed the acquisition of Minerva House, London SE1 in July. Located on the south bank close to London Bridge Station, the high quality office property comprises 91,000 sq ft and is let to ANZ Bank and Reed Smith (solicitors). It offers excellent potential for rental growth off low rents of £30 per sq ft. The purchase price of £42.13 million reflects an attractive net initial income yield of 6.3%. The Company has also invested £10 million to acquire a 19.5% stake in a multi-let Mid Town office building, Mid City Place, London WC1. Mid City Place comprises 350,000 sq ft of prime office accommodation let to 11 tenants on 15 leases. Tenants include Towers Perrin, EDF Trading, Halifax plc and Mitsubishi Corporation.

Disposals

Following an earlier than anticipated completion of the asset business plan, the Company has sold its industrial property in Corby. A pro-active letting policy enabled an opportunistic sale whilst fully let at £9.29 million, reflecting a premium of over £1 million relative to the July 2004 acquisition price. The Company also sold its retail property on Foregate Street, Chester for £4.59 million, a premium of 10% over the acquisition price.

Active Management

At St Ann's Road, Harrow, a lease re-structuring with the Chelsea Building Society has been completed the term from 5 years to 20 years, increasing the rent by 7% over the previous estimate. At Kingston-upon-Thames, a new lease to Edinburgh Woollen Mill has extended that extends the lease length from 11 years to 15 years at a rent that is 11% over the previous level. Both of these initiatives are significantly value enhancing.

At the Company's multi-let industrial estate in Bristol, a re-branding and targeted marketing campaign has resulted in agreeing two new lettings at record rents for the location reflecting a 20% premium to the valuation assumption.

| Largest Ten Holdings | Value | % |
|---|--------------------|---------------|
| Minerva House, 5&6 Montague Close, London | £42,130,000 | 9.86% |
| Victory House, Trafalgar Place, Brighton | £17,350,000 | 4.06% |
| Reynard Business Park, Brentford | £17,300,000 | 4.05% |
| 20/22, Tudor Street, London, EC4 | £16,800,000 | 3.93% |
| The Albion Centre, Bath Street, Ilkeston | £14,200,000 | 3.32% |
| Olympic Office Centre, 8 Fulton Road, Wembley | £12,950,000 | 3.03% |
| Union Park, Fifers Lane, Norwich | £12,715,000 | 2.98% |
| The Gate Centre, Syon Gate Way, Brentford | £10,400,000 | 2.43% |
| Recticel Unit, Bluebell Close, Alfreton | £10,150,000 | 2.38% |
| Mid City Place, London | £9,730,000 | 2.28% |
| Total gross value | 163,725,000 | 38.32% |

| Largest Ten Tenants | Rent | % |
|--|-------------------|---------------|
| ANZ Banking Group Ltd | £1,460,000 | 5.32% |
| Mott MacDonald Ltd | £1,307,148 | 4.76% |
| Reed Smith Services | £1,295,374 | 4.72% |
| Freshfields Sevcies Company | £1,279,600 | 4.66% |
| The British Broadcasting Corporation | £826,000 | 3.01% |
| Grand Metropolitan Estates Ltd | £795,975 | 2.90% |
| Recticel SA | £713,538 | 2.60% |
| Jarvis Porter (Property Holdings) Ltd | £700,000 | 2.55% |
| Concept Automotive Services Ltd | £515,970 | 1.88% |
| Tucker, Crossland Darke (Irwin Mitchell) | £506,638 | 1.85% |
| Total rent | £9,400,243 | 34.25% |

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