

Invista Foundation Property Trust Limited

Quarterly Factsheet – 30 September 2011

FOR INVESTMENT PROFESSIONALS ONLY



Key Highlights

- Net Asset Value ("NAV") of 47.3 pence per share ("pps") reflecting a quarterly decrease of 2.3 pps or 4.6%. Negative movement in interest rate swaps contributed half of the decline.
- The directly held property portfolio fell in value by £0.8 million or 0.2% over the quarter, increasing to -£1.4 million or -0.4% after taking account of capital expenditure but before acquisition costs.
- Improvement on dividend cover following transactions and asset management.
- Interim dividend of 0.88 pps to be paid on 25 November 2011.
- Schroder Property Investment Management Limited to be appointed as the Company's new investment manager.

Key Statistics

	30/09/2011 £m	31/06/2011 £m	3 month change £m	3 month change %
Direct property independent valuation	331.5	326.8	4.7	1.4
Rent incentive adjustment	(7.0)	(6.5)	(0.5)	(7.7)
<i>Valuation of acquisition*</i>	–	5.6	–	–
<i>Capital expenditure and acquisition costs during the quarter**</i>	–	1.0	–	–
<i>Direct portfolio after capital expenditure and acquisition costs</i>	331.5	333.4	(1.9)	(0.6)
Joint venture investments	4.1	4.0	0.1	2.5
Market value – of interest rate swap	(30.6)	(26.5)	(4.1)	(15.5)
Net current assets***	53.3	61.5	(8.2)	(13.3)
On-balance sheet loan***	(182.9)	(182.8)	(0.1)	(0.1)
Net Asset Value	168.4	176.5	(8.1)	(4.6)
Net Asset Value per share (pps)	47.3	49.6	(2.3)	(4.5)
Net Asset Value per share – excluding swaps (pps)	55.9	57.0	(1.1)	(2.0)

* Previously announced acquisition of Church Street, Liverpool that completed on 22 July 2011.

** Also includes acquisition costs associated with Church Street, Liverpool.

*** Both net current assets and on-balance sheet loan include £11.2 million following draw down of the Liquidity Facility (see Finance overview). The Liquidity Facility cash is held in a blocked account and the loan is excluded from related securitised financial covenants

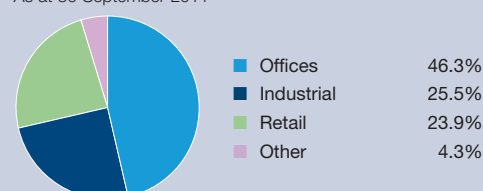
Investment Objective

Invista Foundation Property Trust aims to provide shareholders with an attractive level of income together with the potential for income and capital growth from investing in UK commercial property.

Portfolio Structure

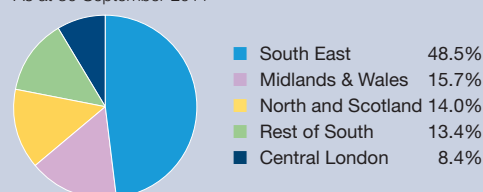
Sector Split by Valuation*

As at 30 September 2011



Geographical Spread by Valuation*

As at 30 September 2011



*The charts above reflect the position based on the 30 September 2011 valuation, prior to the acquisition of West Bromwich.

Source for all figures throughout this factsheet is Invista and IPD unless otherwise stated.

Company Performance Overview

Net Asset Value

Invista Foundation Property Trust Limited (the 'Company') announced an unaudited NAV of £168.4m or 47.3 pps as at 30 September 2011, a decrease of 2.3 pps or 4.6% compared with the NAV as at 30 June 2011 of £176.5m.

The directly held property portfolio fell in value by £0.8m or -0.2% on a like for like basis over the quarter, increasing to -£1.4m or -0.4% after taking account of capital expenditure but before acquisition costs.

The negative movement of the Group's interest rate swaps of £4.1m over the quarter accounted for approximately half of the total decrease in NAV. As at 30 September 2011 the total negative marked to market value of these swaps is -£30.64m, representing 8.6 pps or 18% of the total NAV.

The Company announced an interim dividend of 0.88 pps for the period 1 October 2011 to 31 December 2011. The dividend payment will be made on 25 November 2011 to shareholders on the register on 11 November 2011. The ex-dividend date will be 9 November 2011.

Investment Manager

Following the Company entering into non-binding Heads of Agreement to appoint Schroder Property Investment Management Limited ('Schroders') to manage the Company's portfolio, the Company announced it had received a merger approach from Picton Property Income Limited ('Picton'). Following an extensive due diligence process, the proposal was considered not to be in the best interests of all

shareholders at this time. Detailed negotiations to appoint Schroders have continued in parallel and an Investment Management Agreement has been signed subject to certain conditions, which are in the process of being satisfied, including Schroders recruiting key members of the exiting Invista management team. The transition to Schroders provides continuity and an attractive and viable platform to drive value for shareholders.

Property Portfolio and Performance

As at 30 September 2011, prior to the acquisition of West Bromwich, the Company's direct property portfolio comprised 57 properties independently valued at £331.55m. This portfolio produces a rent of £22.35m per annum reflecting a net initial income yield of 6.4%. The portfolio rental value is £26.8m per annum, resulting in a reversionary income yield of 7.6%.

Asset management activity undertaken to date will deliver further increases in the aggregate rental income received by the Company of approximately £2.8m per annum by September 2014. These increases are fixed and mainly follow the expiry of rent free periods and fixed rental increases.

Transactions

Following the quarter end the Company acquired the BT building in West Bromwich for £14.86m, reflecting a net initial yield of 7.63%. The property comprises a 75,000 sq ft new office development let for fifteen years without break options to British Telecommunications plc paying rent of £1.2m per annum. The rent increases every year through

annual compounded uplifts of 3%. Knight Frank have valued the property at £18.9m which should increase the Company's future NAV by approximately £3.1m. The acquisition increases the portfolio average unexpired lease term to 8.1 years, assuming all tenants exercise break options at the earliest opportunity.

In addition, over the quarter the Company exchanged or completed new lease contracts generating additional new rental income of £472,000 per annum. This activity also contributed to a reduction in the void rate to 12.06%. Significant asset management activity is still ongoing to let vacant space, and, where appropriate, capital investment in being made to maximise letting prospects. For example, the Company has completed the refurbishment of the Gate Centre in Brentford, a prime and well-located multi-let industrial estate. This resulted in a new letting to Berry BMW with further units totalling 21,675 sq ft available with a rental value of approximately £220,000 per annum.

At Reynards Business Park in Brentford, the planning application submitted for residential use on the six acre site in June was withdrawn in August. This was to enable more detailed discussions to take place with Hounslow Council and local residents. A revised application is being prepared including a reduction in the total number of dwellings and from our discussions with the Council and local residents, we understand a residential scheme is acceptable in principle and a decision on the application is expected in early 2012.

Company Performance Overview (continued)

Market Background

The latest Investment Property Databank ('IPD') Monthly Index for the three months to 30 September 2011 confirmed that average UK commercial property capital values increased by 0.21%. This compares to 0.28% for the quarter to 30 June 2011 and is the lowest increase since the market recovery in mid 2009. Sentiment towards UK commercial property has weakened with more property investments being offered for sale, particularly by banks and forced sellers, and reduced demand for all property types. There is still selective demand for prime assets at current prices, particularly in Central London and the South East, and this should be maintained given low interest rates. In contrast, we expect poor secondary and tertiary values to fall further, led by concerns over tenant default and falling rental values. We continue to believe that there is value in parts of the market for good secondary property offering good fundamentals and an attractive income return.

Joint Ventures

The Company has three joint ventures with separate non-recourse, off-balance sheet debt:

Merchant Property Unit Trust ('MPUT') – 19.5% share

The NAV of the Company's investment increased by £60,000 to £2.81m over the quarter. The value of the underlying portfolio increased to £40.98m over the quarter, an increase of £0.2m or 0.5%. The loan to value ratio is 60% compared to a covenant of 100% which tapers down to 75% at loan maturity in 2013. As at 30 September 2011 the total negative marked to market value of the interest rate swap is -£1.81m meaning that the Company's share of NAV is diluted by approximately -£0.35m.

Crendon Industrial Partnership Limited ('CIPL') – 50% share

The NAV of the Company's investment was unchanged over the quarter at £1.27m. The underlying property valuation also remained unchanged at £24.75m. The loan against the property totals £26.05m reflecting a net loan to value, after taking account of £2.6m of cash, of 95%. There is no loan to value covenant prior to loan maturity in May 2013.

One Plantation Place Unit Trust ('OPPUT') – 29% share

The valuation of OPPUT's underlying property, Plantation Place, London, EC3 increased to £495.6m over the quarter, an uplift of £1.5m or 0.5%, reflecting a net initial yield of 5.5%. As at 30 September 2011, OPPUT's net debt is £431.34m, resulting in a net loan to value of 87% compared to the net loan to value covenant of 82.14%. The negative marked to market value of the interest rate swap, which is matched to the loan maturity in July 2013, fell by £1.8m to -£33.2m over the quarter. The improvement in the property value, swap value and adjusting for net current assets results in an estimated value for the Company's investment of £8m. However, in view of continuing breach of the loan to value covenant the Company continues to hold this investment at nil.

Finance

The Company has a single on-balance sheet loan facility of £173.5m that matures in July 2014. The Company is considering longer term re-finance strategies that reduce the overall interest cost and avoid crystallising swap break costs.

As at 30 September 2011 the Company's on-balance sheet loan to value ratio, net of cash, is 40.3% against a net loan to value ratio covenant of 60%. The Company continues to have significant headroom on its Interest Cover Ratio of 226% compared with the covenant of 150%, calculated on a simplified basis of rental income as a proportion of interest cost.

Rating	Loan Amount £m	Swap Rate	Margin %	Total Interest Rate %	Swap Maturity	Mark to Market 30/09/2011 £m	Mark to Market 31/06/2011 £m
AAA	62.5	5.099% Fixed	0.20	5.299	15/07/2014	(7.47)	(7.1)
AAA	111	5.713% Fixed	0.20	5.913	15/07/2016	(23.16)	(19.4)
Loan Total	173.5	5.420% Fixed	0.20	5.692	n/a	(30.63)	(26.5)
Liquidity Facility**	11.2	0.78 Libor***	0.662	1.2	n/a	n/a	n/a

* M2M or marked to market. ** Securitised debt facility has a Liquidity Facility of £11.2 million provided by Lloyds Banking Group ('Lloyds'). Liquidity Facility Agreement requires the provider to have a minimum Standard & Poor's ('S&P') credit rating of A-1+, which Lloyds breached in March 2009 when they were downgraded by S&P to A-1. Breach requires the Liquidity Facility to be drawn down in full and placed in a blocked deposit account or alternatively a new provider put in place. Accordingly, on the 23 September 2009 the Liquidity Facility was drawn down. *** Libor as at 12 October 2011. The Company has a single on-balance sheet loan facility of £173.5 million that matures in July 2014, with no other on-balance sheet financing maturing prior to this date. The Company is considering longer term re-finance strategies that reduce the overall interest cost and avoid crystallising swap break costs. As at 30 September 2011 the Company's on-balance sheet loan to value ratio, net of cash, is 40.3% against a net loan to value ratio covenant of 60%. The Company continues to have significant headroom on its Interest Cover Ratio of 226% compared with the covenant of 150%, calculated on a simplified basis of rental income as a proportion of interest cost.

Further Information and Contacts



Visit our website
www.ifpt.co.uk

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Issued by Invista Real Estate Investment Management Limited. Registered office: 107, Cheapside, London, EC2V 6DN. Registered in England and Wales. Registered number 04459443. Authorised and regulated by the Financial Services Authority. Published December 2011.

Ref: inv-785.

10 Largest Holdings by Value

Location	Value (£)	Weighting
Minerva House, Montague Close, London SE1 ¹	27,750,000	7.9%
Victory House, Trafalgar Place, Brighton	24,600,000	7.0%
Retail Park, Churchill Way West, Salisbury, Wiltshire	15,200,000	4.3%
106 Oxford Road, Uxbridge	14,600,000	4.2%
The Galaxy, Luton	14,250,000	4.1%
Olympic Office Centre, Fulton Road, Wembley	12,650,000	3.6%
Reynard Business Park, Brentford	12,250,000	3.5%
The Gate Centre, Syon Gate Way, Brentford	11,300,000	3.2%
Churchill Way, Basingstoke	10,650,000	3.0%
The Portergate, Sheffield	9,650,000	2.9%
Total (as at 30 September 2011)	152,900,000	43.7%

¹ Figures based on 50% ownership of Minerva House

10 Largest Tenants by Income

Tenant/Group	Rent per annum (£)	Weighting
Wickes Building Supplies Limited	1,092,250	4.3%
Norwich Union Life and Pensions Ltd	1,039,191	4.1%
BUPA Insurance Services Limited ¹	960,755	3.8%
Synovate Limited ²	950,000	3.7%
The Buckinghamshire New University ³	900,000	3.5%
Mott MacDonald Ltd ⁴	790,000	3.1%
Rectical SA ⁵	731,038	2.9%
Lloyds TSB Bank plc	664,000	2.6%
Winkworth Sherwood LLP ⁶	663,095	2.6%
Partners of Irwin Mitchell LLP	550,000	2.3%
Total (as at 30 September 2011)	8,340,329	32.9%

¹ Currently subject to rent free that expires April 2012

² Aegis Group plc is guarantor. Figures based on 50% ownership of Minerva House

³ The Buckinghamshire New University is currently benefiting from a half rent period equating to £450,000 per annum from March 2009 which will increase to £900,000 per annum in June 2012. The lease benefits from a further fixed uplift to £1.02 million per annum in May 2014

⁴ Mott MacDonald Group Limited are Guarantor

⁵ The tenant is currently benefiting from a half rent period equating to £365,519 per annum which will increase to £731,038 per annum in January 2014

⁶ On assignment from Reed Smith Ramboud Charot LLP. Figures based on 50% ownership of Minerva House