

IRP Property Investments Limited

formerly known as ISIS Property Trust 2



September 2009



Ian McBryde
Fund Manager

Standardised Performance

	2009	2008	2007	2006	2005
Fund	16.4%	-37.1%	-5.3%	17.6%	20.6%

Cumulative Performance

	3 Months	1 Year	3 Years	Since Inception
Fund	31.1%	16.4%	-30.6%	8.7%

Past performance is not a guide to future performance.

Source: Datastream, share price basis, percentage growth, mid to mid, net income reinvested. The Standardised Performance table refers to 12 month periods ending 30 September. The Cumulative performance table refers to cumulative periods ending 30 September 2009. Basis in accordance with the regulations of the FSA.

Trust objective

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

Top ten property investments

Property Holdings	%
Banbury, 3663 Unit, Echo Park	11.1%
Colnbrook, Units 1-8 Lakeside Road	7.9%
Eastleigh, Southampton International Park	7.3%
Bellshill, Mercury House, Strathclyde Business Park	7.0%
Leamington Spa, 30-40 The Parade & 47/59a Warwick Street	6.6%
Edinburgh, 1-2 Lochside Way, Edinburgh Park	6.0%
Hemel Hempstead, Hemel Gateway	5.4%
York, Clifton Moor Gate	4.6%
Rugby, Swift House, Cosford Lane	4.1%
Winchester, 7-8 High Street and 50 Colebrook Street	3.5%
Total	63.5%

Structure

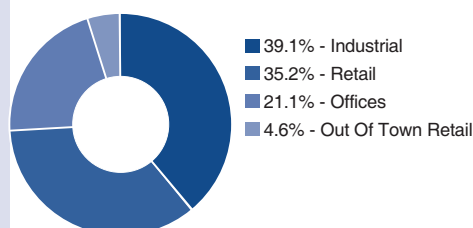
At launch on 1 June 2004, the Company had a capital structure comprising approximately 60% Ordinary Shares and 40% bank debt.

Ordinary shareholders are entitled to all dividends declared by the Company and to all the Company's assets after repayment of its borrowings. Borrowings consist of a loan of £60 million drawn down for a period of 10 years to 10 January 2017. The loan carries interest at 0.50% over LIBOR for the first three years and 0.45% thereafter; this variable rate has been fixed through an interest rate swap, which matures on 10 January 2017. This swap fixes interest payable on the initial drawdown at 5.65 per cent per annum for the first 3 years and 5.60 per cent per annum thereafter.

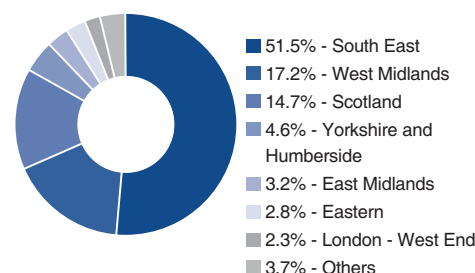
Key statistics

Fund Type	Investment trust
Launch Date	1 June 2004
Total assets	£152.5m
Share price	73.50p
NAV*	73.7 p
Discount	-0.3%
Dividend payment dates	Mar, Jun, Sept, Dec
Dividend yield†	9.8%
Net gearing**	34.1%
Vacant property	2.4%
Weighted average lease length	7.9 years
Management Fee (% of total assets)****	0.70%
Total expenses***	1.3%
Sedol no.	B012T52
Stock code	IRP
Year end	30 June
Website	www.irppropertyinvestments.com

Sector breakdown



Geographical breakdown



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Continued

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Fund manager's commentary

The third quarter of 2009 witnessed a turnaround in the fortunes of UK commercial property. The IPD UK Monthly Index recorded the first quarterly positive returns for over two years with capital values increasing by 1.2%, producing a total return for the quarter of 3.3%.

The improvement has been centred on the transactions market where a resurgence of investor interest in prime stock has coincided with a lack of supply and a consequential inward yield movement and higher capital values. However, transaction levels remain at historically low volumes with the majority of buyers being cash purchasers from overseas, or UK based funds.

Additionally, this improved tone has coincided with better economic news. Commentators believe that the monetary and fiscal stimulus measures are having some effect and as order is slowly being restored to the banking system, both consumer and business confidence are stabilising. Forecasts for 2010 are being revised upwards and there are hopes that real GDP will shortly turn positive.

The improvement in the economy and property investment has not been mirrored on the occupational side. The trauma of early 2009, with its raft of administrations and collapse of tenant demand has eased, but significant problems remain. Rents are still under pressure and fell by 1.7% in the quarter but the full impact is being disguised by concessions. According to IPD, void levels remained high equating to 12.0% of rental income with empty rates payable on vacant space.

The Company's portfolio increased in value by 1.9%, which together with an income return of 2.0%, produced a total return of 3.9% over the quarter, which is in excess of the IPD index of 3.3%.

The Company's industrial properties produced the best returns in the quarter of 5.6%, mainly as a result of strong performance from the 3663 Distribution unit in Banbury which increased in value by 8.2% to £15.05m. Southampton International Park, Eastleigh further increased in value by 6.2% to £9.93m. The Company also recorded strong performance from Clifton Moor Gate, York, a motor showroom complex, which increased in value by 5.8%.

The Company has completed a letting of Unit B Hemel Gateway, Hemel Hempstead. The unit of 27,636sqft has been let for ten years with a break at the fifth year at a rent of £201,289pa. The Company has let the majority of its vacant property at 7/11 Bridge Street Guildford to Tesco Stores Ltd on the basis of a new lease for fifteen years at £60,000pa. No 36 The Parade, Leamington Spa has been let to Paperchase on a ten year lease at £85,000pa.

The void rate of the portfolio has therefore now reduced to 2.4% compared with 5.7% at 30th June. This is well below the IPD average for commercial property of 12.0%; consequently empty rates and other non recoverable costs are being kept to a minimum.

The company maintains its overweight position to industrial property (mainly in the southeast) due to its beneficial and more attractive yield. The Company has approximately £15m in cash on deposit and the Manager is currently looking at opportunities to purchase, particularly to increase weightings to the out of town retail sector, which display characteristics in terms of income security and growth which will enhance the portfolio.

All data as at 30.09.09.

All information is sourced from F&C Asset Management plc, unless otherwise stated. * The NAV is calculated under International Financial Reporting Standards. ** (bank debt less net current assets)/ investment property. *** Total expenses as a percentage of average total assets less current liabilities. **** no fee is payable on any cash held in excess of 5 per cent of net assets. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges. Stock market, property market and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Where investments are made in emerging markets, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment. If markets fall, gearing can magnify the negative impact on performance. The factsheet is issued and approved by F&C Management Limited. Authorised and regulated in the UK by the Financial Services Authority (FSA). † Calculated with reference to projected annual dividends of 7.2 pence per share.