

October 2011



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Fund Manager

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.

Key statistics

Fund Type	Investment trust
Launch Date	1 June 2004
Total Assets	£164.7m
Share price	76.0p
NAV*	79.7p
Premium/(Discount)	-4.6%
Dividend payment dates	Mar, Jun, Sept, Dec
Dividend yield†	9.5%
Net gearing**	37.4%
Vacant property	3.2%
Weighted average lease length	8.0 years
Management fee (% of total assets)	0.7%
Total expenses***	1.3%
Sedol no.	B012T52
Stock code	IRP
Year end	30 June
Website	www.irppropertyinvestments.com

Standardised Performance

	2011	2010	2009	2008	2007
Fund	6.3%	15.8%	16.4%	-37.1%	-5.2%

Cumulative Performance

	3 Months	1 Year	3 Years	5 Years
Fund	-13.6%	6.3%	43.2%	-14.7%

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 2011. Basis in accordance with the regulations of the FSA.

Top ten property investments

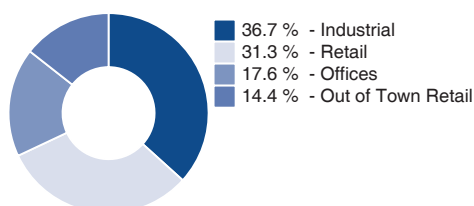
Property Holdings	%
Banbury, 3663 Unit, Echo Park	11.1%
Colnbrook, Units 1-8 Lakeside Road	7.5%
Eastleigh, Southampton International Park	6.8%
Leamington Spa, 30-40 The Parade & 47/59a Warwick Street	6.5%
Bellshill, Mercury House, Strathclyde Business Park	5.8%
York, Clifton Moor Gate	5.4%
Edinburgh, 1-2 Lochside Way, Edinburgh Park	5.0%
Hemel Hempstead, Hemel Gateway	4.9%
Northallerton, Willowbeck Road	4.1%
Rugby, Swift House, Cosford Lane	3.5%
Total	60.6%

Structure

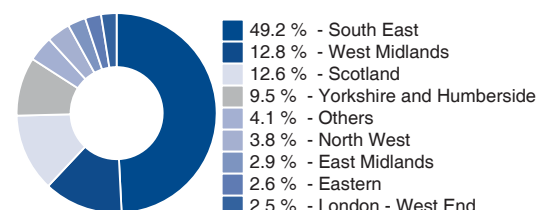
At launch on 1 June 2004, the Company had a capital structure comprising approximately 60 per cent Ordinary Shares and 40 per cent bank debt.

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 £61.0 million drawn down from Lloyds TSB Scotland plc for a period of 10 years to January 2017. The loan carries interest at 0.45 per cent over LIBOR; £60.0 million of this loan has been fixed through an interest rate swap, which is due to mature during January 2017. This swap fixes interest payable on the initial drawdown at 5.55 per cent per annum.

Sector breakdown



Geographical breakdown



Fund manager's commentary

Property Market Overview

The third quarter of 2011 registered a total return of 1.9%, as measured by the IPD Quarterly Index. Total returns have edged lower, on a quarterly basis, during the course of 2011 as the pace of inward yield movement has slowed. This has been reflected in a deceleration in capital growth with capital values registering a 0.4% uplift in 3Q 2011 and 2% for the January-September 2011 period. Rental growth remains subdued at 0.1% in the latest quarter.

Retail property has come under some pressure, with the shops market particularly affected. The difference in performance between Central London and provincial offices has persisted but the latest quarter has seen some cooling in the City office market to narrow the gap. The industrial sector slightly outperformed in the latest quarter following a period of relative weakness; the improvement was driven by higher total returns for standard industrial property in the South East. Prime property has continued to outperform secondary stock in most segments of the market.

The banks and leveraged owners are starting to sell more assets but the amount of prime stock being marketed remains limited.

Portfolio Overview

The value of the Company's portfolio remained broadly unchanged over the quarter at £161.6m. During the period the portfolio had an income return of 1.6%, slightly ahead of the benchmark of 1.4%. The portfolio's lack of exposure to Central London assets contributed to underperformance in capital value terms returning 0.1% against the benchmark of 0.4%.

The total return for the quarter was 1.6% which compared with the IPD Quarterly Index of 1.9%. Over the 12 month period to 30 September 2011, total returns from the portfolio were 6.1%.

24 Haymarket, London SW1 was the largest contributor to portfolio performance where the value increased by £225,000 or 5.8% due to the completion of a lease of ground and first floors to ATFC Ltd, trading as Aberdeen Steak House. At 100a Princes Street, Edinburgh, let to Swarovski, the lease expiry date was extended by 10 years to October 2026 in return for a rent-free period. As the end of the rent-free period is approaching, the value of this property increased by £180,000 or 6.9%.

At 51-53 High Street, Guildford, a renewal lease has been completed with Vision Express. The rent has increased from £211,000pa to £270,000pa on a new ten year lease with effect from October 2009.

During the quarter, Photologic Ltd, the tenant of Unit B Hemel Gateway, Hemel Hempstead went into liquidation and the premises are now vacant. The modern, well specified unit extends to 27,764sqft and has a rental value of £207,000pa. This has caused the void rate in the portfolio to rise to 3.2%, although other vacant units are currently under offer.

There were no sales and no purchases to report during the quarter.

The average weighted unexpired lease term (including breaks) is 8.0 years.

All data as at 30.09.11

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 current liabilities) / Fair value of investment properties. *** Total expenses as a percentage of average total assets less current liabilities. 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