

Investing Policy

The Company seeks to provide investors with capital growth through asset management, coupled with revenue growth through the capture of reversionary income from its current portfolio of properties and future investments, providing a competitive income yield.

Investment Focus

The Company invests in retail, commercial and residential property principally in the West Midlands and Central England, targeting vacant or part vacant, short leased, single, multi-let and distressed property assets that:

- have high running yields or short to medium term asset management opportunities;
- may be priced below replacement cost;
- have opportunities to generate rental value growth from active asset management, refurbishment, redevelopment, change of use and planning gains;
- provide attractive value attributes arising from the nature of the vendors who may be motivated sellers; and
- are likely to have individual building values of between £1 million and £10 million per lot.

The Company's niche areas of activity include:

- non-core "orphan" disposals by institutions;
- assets not easily acquired by private or smaller investors; and
- distressed and deadline purchases.

Investment Strategy

The Directors will endeavour to build the Company's portfolio through leveraging their network of agents and established relationships which provide introductions to prospective investments where the Company's strong banking relationships and cash resources facilitate quick execution on competitive terms.

The Directors will look to "create" investments rather than "buy" investments, through an active strategy of repositioning properties and recycling and conserving capital, whilst generating cash flow, maximising occupancy rates and crystallising reversions.

The Company will maintain a portfolio comprising a diverse range of properties which is not reliant on or over-exposed to specific sub-sectors or tenants.

Gearing

The Directors intend to use the Company's cash resources to make ungeared acquisitions but, thereafter, once asset management initiatives have been carried through, the Company will introduce leverage on secured assets in order to recycle the equity. The Directors' intention is that loan to value gearing will not exceed 65 per

cent. at any time. This ratio, however, is subject to review by the Board in light of prevailing market conditions.