

# Alpha Tiger Property Trust Limited

24 November 2010

## **ALPHA TIGER PROPERTY TRUST LIMITED (“ALPHA TIGER” OR THE “COMPANY”) SHORT –TERM INVESTMENT IN FREEHOLD INCOME TRUST (“FIT”)**

Alpha Tiger announces that it is to invest cash of £4m in The Freehold Income Trust, an open-ended unlisted fund that provides secure and stable investment returns from acquiring freehold ground rents which offer an attractive income stream, capital growth prospects and high risk-adjusted returns. FIT owns over 62,500 freeholds in the UK with a gross annual rent income of £7.3m.

The forecast yield on the investment is expected to be 4.4% p.a. post-tax.

The Freehold Income Trust’s Net Asset Value (“NAV”) at 31 August 2010 was £163m. The performance objective is to seek to generate income of at least 4.25% per annum.

The investment is expected to be short term and will provide a better return than currently accrued on the Company’s cash balances. FIT operates a monthly dealing facility to provide liquidity.

FIT is currently managed by Close Asset Management Limited (“CAM”) and the day to day management of FIT’s property investments is performed by Freehold Managers PLC (“FMP”). CAM receives an annual management fee equal to approximately 0.56% of FIT’s NAV. FMP receives a fee at the rate of 0.72% per annum of NAV from which it pays certain fees to CAM, it is also entitled to certain fees in relation to property interests acquired, for the collection of rents due to FIT and certain performance fees for increases in the sale or renegotiation value of leases over original cost.

### **Related Party Transaction**

On 7 October 2010 the Company’s investment manager, Alpha Real Capital LLP (“ARC”), announced that its subsidiary, Alpha Real Property Investment Advisers LLP, had agreed the acquisition of the property funds management business from the Asset Management division of Close Brothers Group plc (“Close Brothers”). The transaction remains subject to regulatory approval and relevant third party consents.

As part of this transaction ARC will take on the management of FIT. Following this, ARC will rebate to Alpha Tiger any fees earned by ARC from FIT, arising from Alpha Tiger’s investment in FIT (including the relevant proportion of any performance fee payable to ARC attributable to Alpha Tiger’s investment) (the “Fee Rebate”).

The Fee Rebate is deemed to be a related party transaction under the AIM Rules for Companies. Phillip Rose is deemed to be a related party due to his relationship with ARC; as such he has not participated in the Board’s consideration of the Fee Rebate. The Directors of Alpha Tiger (excluding Phillip Rose) consider, having consulted with Panmure Gordon (UK) Limited, Alpha Tiger’s nominated

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adviser, that the terms of the Fee Rebate are fair and reasonable insofar as its shareholders are concerned.

**For further information please contact:**

**Alpha Tiger Property Trust Limited**

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**Panmure Gordon, Nominated Adviser to the Company**

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Notes to editors:

**About Alpha Tiger Property Trust**

Further information is available at [www.alphatigerpropertytrust.com](http://www.alphatigerpropertytrust.com)