

Alpha Real Trust

12 December 2016

ALPHA REAL TRUST LIMITED (“ALPHA REAL TRUST” OR THE “COMPANY”)

The Board of Alpha Real Trust Limited (the “Company”) has today written to shareholders of Industrial Multi Property Trust PLC. The text of the letter appears below.

For further information please contact:

Alpha Real Trust Limited

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Further information on the Company can be found on the Company's website: www.alpharealtrustlimited.com.

The Industrial Multi Property Trust PLC (“IMPT”, the “Company”)

Dear fellow shareholder in IMPT,

We write to you in response to the circular sent to you by IMPT (the “Circular”) regarding an upcoming Extraordinary General Meeting (“EGM”) on 19 January 2017.

Alpha Real Trust Limited (“ART”) is recommending shareholders vote FOR the removal of two directors of the Company in order to:

- enable the Company to refinance its existing debt with cheaper finance;
- potentially enable the Company to recommence paying a dividend which may lead to a rerating of the shares;
- retain the future upside potential of the Company’s valuable property portfolio.

ART is also recommending shareholders vote AGAINST resolution 3 in order to:

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- maintain good governance by requiring a shareholder vote on the terms of any future sale of the portfolio.

ART's requested resolutions

ART holds 18.7% of the share capital of IMPT and has requisitioned this EGM in order that the shareholders of IMPT can consider two resolutions:

- That Jonathan Clague is removed as a Director of Industrial Multi Property Trust PLC
- That Donald Lake is removed as a Director of Industrial Multi Property Trust PLC

Additionally, in response to our EGM requisition, a further resolution has been proposed by the Independent Directors of IMPT calling for a change in IMPT's objectives.

As a significant shareholder in IMPT, ART has the same objectives as other shareholders, to maximise the value of its shareholding. We believe that this is best achieved by way of replacing the existing debt facilities (including the existing ART subordinated debt) with cheaper funding.

The Board of IMPT has previously stated it is "targeting a refinancing of the portfolio in the fourth quarter of 2016 when certain of the Company's loan facilities (which continue to December 2018) can be repaid without penalty."

WHY SHAREHOLDERS SHOULD VOTE FOR RESOLUTIONS 1 AND 2

Benefits of refinancing the Company's debt

ART believes that a debt refinance can be implemented without increasing the Company's current debt level by utilising existing cash resources to pay any bank fees. The refinanced debt, which would include additional senior debt in place of the current subordinated debt, would be at a significantly lower blended cost than the current loan facilities and would allow the Company to release itself from current related party debt obligations to ART. Lowering the cost of debt should substantially improve the Company's ability to service interest, amortise the Company's loans or pay a dividend to shareholders.

ART believes that any new debt refinancing from third parties would be at a substantially lower loan-to-value than the facilities taken out in 2013.

ART believes that the implementation of such a refinancing would achieve the repayment of borrowings from ART as a related party with lower margin senior debt and given the fall in 5 year swap rates since December 2013, ART believes that the interest saving could be substantially in excess of £1m per year.

The delay in refinancing the Company's facilities potentially costs the Company on a daily basis and ART has requisitioned the EGM to ensure that the Board of IMPT acts in the best interests of all shareholders.

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Benefits of a dividend

A reduced interest bill would allow the Company to recommence paying a dividend for the first time since 2008.

ART, alongside other shareholders, would welcome a dividend from IMPT. We believe that this could potentially improve the share rating of the Company.

Benefits of retaining ownership of the Company's valuable portfolio

Refinancing the Company would allow shareholders to continue to retain ownership of the Company's valuable portfolio on improved debt terms.

The letter from Jones Lang LaSalle ("JLL") included in the Circular sets out JLL's view that demand for industrial real estate assets such as the Company's portfolio, is currently strong and there exists potential for a portfolio to be sold at a premium.

ART notes that JLL's positive views on the Company's portfolio is also shared by the Company's financial adviser and broker, Stockdale Securities Limited, who published a research note in February 2016 suggesting that the Net Asset Value of the Company could rise to in excess of 600p in the next three years.

ART believes that considering a sale now would deprive shareholders from participating in the future income and potential for growth of the Company's valuable portfolio. The net asset value of the Company is still over 80% below that achieved in the last cycle (February 2007).

As can be seen from the table below, the value of the Company's portfolio (adjusted for sales) has been increasing significantly over the last two years. The value of the Company's property portfolio has not yet reached £94.5 million which was the original valuation of the portfolio (adjusted for sales) when acquired in 2003-2005.

IMPT Portfolio Value (adjusted for sales)

March 2014	£74.5m
June 2014	£75.1m
September 2014	£76.4m
December 2014	£77.1m
March 2015	£77.8m
June 2015	£79.4m
September 2015	£80.0m
December 2015	£80.6m
March 2016	£82.1m
June 2016	£85.1m
September 2016	£85.5m

Rents in the sector are forecast to continue to improve and should void rates continue to decrease, ART believes that the portfolio valuation could increase further.

Additionally, ART notes that the Investment Manager has been successful in selling individual assets at a premium, leading to a strengthening of the Company's balance sheet (during 2016 the Company has announced the sale of 6 assets for £3.5 million at a blended premium of 48% to the prevailing valuations).

Size and constitution of Board

ART believes that IMPT should have a majority of independent directors, which would continue following the passing of the resolutions to remove Jonathan Clague and Donald Lake. Going forward, the Board would comprise two independent directors and one director from the Company's Investment Manager, which ART considers suitable for the Company's size.

To obtain the benefits of reduced financing costs, an ability for the Company to pay a dividend and retain the future upside potential of the Company's valuable portfolio, shareholders should vote FOR resolutions 1 and 2

WHY SHAREHOLDERS SHOULD VOTE AGAINST RESOLUTION 3

Governance of the Company

The Circular states that the Independent Directors believe "it is good corporate governance for Shareholders to have a vote on a potential sale". ART agrees with this.

However, the Independent Directors' Resolution is asking that shareholders allow the Board to conclude a sale of the portfolio without recourse to shareholders. ART believes that all shareholders' interests would be best protected by the Company requiring shareholder approval of the full terms for any disposal of the portfolio.

In response to a portfolio purchase proposal by J Stocks earlier this year, on 23 June 2016 the Board stated "Shareholders should ask why J Stocks appeared so keen to rush the Board into making a quick decision without giving the Company's shareholders any vote on such an important transaction."

The Independent Directors' Resolution, if passed, would allow the Company to proceed with a sale without giving the Company's shareholders any vote on such an important transaction.

We believe it would be a failure of good governance for any board to agree to a sale of substantially all of a company's assets without shareholder's receiving adequate information and without shareholders approving the key terms of the transaction.

ART notes that the Board's resolution 3:

- does NOT require a competitive sale process;
- does NOT require that the best price offered be accepted; and
- does NOT prohibit the Board selling to related parties.

ART believes resolution 3:

- is NOT in shareholders' interests; and
- is NOT in keeping with good governance.

**To retain control of their investment and ensure good governance,
shareholders should vote AGAINST Resolution 3**

Recommendation from ART

ART recommends all shareholders of IMPT that seek to maximise the value of their holding in the Company **vote in favour of resolutions 1 and 2:**

1. THAT Jonathan Clague is removed as a Director of Industrial Multi Property Trust PLC
2. THAT Donald Lake is removed as a Director of Industrial Multi Property Trust PLC

and **vote against resolution 3:**

3. THAT the proposed objectives of the Company as described in the Circular to Shareholders dated 1 December 2016 be and are hereby adopted with immediate effect.

Yours faithfully,

David Jeffreys
Chairman, Alpha Real Trust Limited