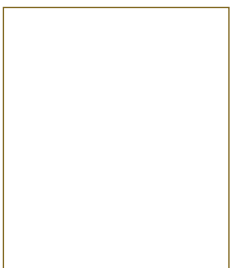
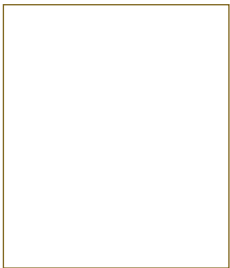
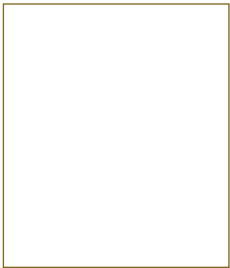
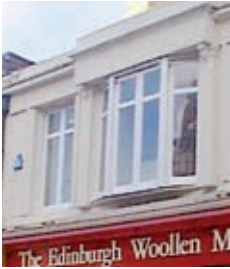


case study:
acquisition



a new wave
in property
investment



WILKY

FUND MANAGEMENT LTD

31% rent increase in Ayr



This retail unit occupies a good mid-terrace position on the pedestrianised section of the High Street, directly opposite the Kyle Shopping Centre entrance.

The property was acquired for the Merchant Navy Ratings' Pension Fund in December 1997 for £660,000. At that time the Fund was seeking to increase its weighting in High Street retail units let to strong covenants and which were perceived to have good rental growth prospects.

The lease with Edinburgh Woollen Mill was due to expire in February 2006. Negotiations with the tenant for a new 20 year lease were concluded well in advance of the expiry date, with the rent increasing by 31% to £83,200pa.

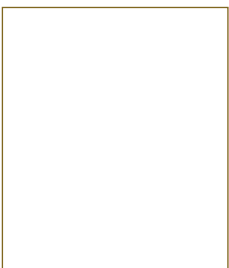
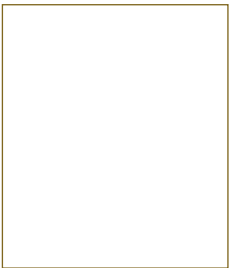
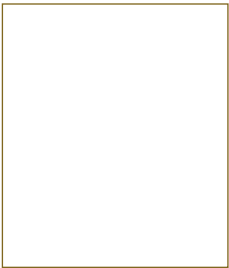
The property is currently valued at £1.26m and since it was acquired it has produced an IRR of 13.4%, thereby fully justifying the original decision to purchase.

Wilky Fund Management Ltd

Parallel House, 32 London Road, Guildford, Surrey GU1 2AB

Tel: 01483 230770 Fax: 01483 230771 enquiries@wilkyasset.co.uk www.wilkyasset.co.uk

case study:
acquisition



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WILKY

FUND MANAGEMENT LTD

IRR of 18%+ in Nottingham



This property is situated in Bridlesmithgate, a good secondary retail location favoured by designer outlets and boutiques. It comprises a mid-terrace period building arranged on basement, ground and three upper floors.

Let to Hobbs Ltd for 25 years from October 1994 the property was acquired for MNOF Trustees Ltd two years later. At that time the Fund was looking to acquire property let to good covenants on long leases where there were good rental growth prospects. The rent passing at the time of acquisition was £85,000pa but this has increased as a result of rent review settlements to a current figure of £203,000pa with the next rent review scheduled for October 2009.

Over the period of ownership the value of the investment has increased from £1,140,000 to more than £3.6m today. Taken together this excellent income and capital growth performance has meant that the property has produced an IRR of over 18% pa since it was acquired, making it one of the best performing properties in the portfolio.

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