

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all your Shares in Standard Life Investments Property Income Trust Limited (the "Company"), please send this document and the accompanying Form of Proxy and Prospectus at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee.

This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue any security.

This document does not constitute a prospectus or prospectus equivalent document. This document should be read in conjunction with the accompanying Prospectus and any decision to acquire new Ordinary Shares under the Placing and Open Offer must be made only on the basis of the information contained in and incorporated by reference into the accompanying Prospectus which has been prepared in accordance with the Prospectus Rules and the Listing Rules of the Financial Services Authority made under section 73A of the Financial Services and Markets Act 2000.

Financial Services Authority

UK Listing Authority

Document approved

Date:

6 June 2011

**STANDARD LIFE INVESTMENTS**

**PROPERTY INCOME TRUST LIMITED**

Signed:

1

(Incorporated in Guernsey with registered number 41352)

**CIRCULAR**

in connection with a  
**proposed Conversion of Preference Shares  
and a Placing and Open Offer of new Ordinary Shares**

Notice of a General Meeting of the Company to be held at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL at 3.00 p.m. on 29 June 2011 is set out at the end of this document. The accompanying Form of Proxy for use at that General Meeting should be completed and returned as soon as possible and, to be valid, must arrive at Computershare Investor Services (Jersey) Limited, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 48 hours before the time of the General Meeting.

Winterflood Securities Limited, which is authorised and regulated by the Financial Services Authority, acting through its division, Winterflood Investment Trusts, is acting for the Company in connection with the Proposals and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Winterflood Securities Limited nor for providing advice in relation to the Proposals, the contents of this document and the accompanying documents or any other matter referred to therein.

Your attention is drawn to the section headed "Action to be taken" on page 13 of this document. The attention of Shareholders is also drawn to the section headed "Risk factors" set out on pages 3 and 4 of this document.

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## EXPECTED TIMETABLE

	<i>2011</i>
Record Date for participation in the Open Offer	5.00 p.m. on 3 June
Latest time and date for receipt of form of direction	3.00 p.m. on 24 June
Latest time and date for receipt of Forms of Proxy	3.00 p.m. on 27 June
General Meeting	3.00 p.m. on 29 June
Ex-dividend date for the Second Interim Dividend	6 July
Record date for Second Interim Dividend	8 July
Latest time and date for applications under the Open Offer	11.00 a.m. on 14 July
Latest time and date for commitments under the Placing	11.00 a.m. on 14 July
Results of the Placing and Open Offer announced through a Regulatory Information service	18 July
Conversion Date for the Preference Shares	21 July
Admission and dealings in new Ordinary Shares commence	8.00 a.m. on 22 July
Payment of Second Interim Dividend	August

## **RISK FACTORS**

The risk factors set out below are those which are considered by the Company and the Directors to be material to the Group in relation to the Proposals as at the date of this document and which the Directors believe Shareholders should consider prior to deciding how to cast their votes at the General Meeting but are not the only risks in relation to the Proposals, the Group or the Ordinary Shares. Additional risks and uncertainties relating to the Group that are not currently known to it or that the Directors or the Company do not currently consider to be material in relation to the Proposals may also have a material adverse effect on the Group. Shareholders in any doubt about the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser without delay.

The rights of holders of the Ordinary Shares are governed by Guernsey law and by the Company's Memorandum and Articles. These rights may differ from the rights of shareholders in typical UK corporations.

### **Risks relating to the Proposals**

#### ***Costs and expenses***

In the event that the Proposals are not approved by Shareholders, neither the Conversion nor the Issue will be implemented. In the event that the Proposals are not implemented, it is estimated that costs and expenses of approximately £200,000 will be payable by the Company. In the event that the Issue is not implemented but the Conversion is implemented, these costs and expenses will be approximately £185,000 after deducting the premium arising on the Conversion.

There is no guarantee that either £25 million or significant additional proceeds will be raised under the Issue. The net proceeds of the Placing and Open Offer will be used to acquire UK commercial properties in accordance with the Company's investment policy. The typical costs of acquiring UK commercial properties are approximately 5.75 per cent. of the purchase price thereof. The new Ordinary Shares will be issued, pursuant to the Issue, at a premium of four per cent. to the Adjusted NAV per Share. It is expected that, based on the Issue Price of the new Ordinary Shares, the costs and expenses of the Proposals (after deducting the premium arising on the Conversion) and assuming full market standard costs of acquiring commercial properties, the Proposals and the subsequent acquisition of properties with the proceeds, if any, of the Placing and Open Offer will result in a small reduction in the NAV per Share over the period of investment.

#### ***Shortfall of income until proceeds invested***

The net proceeds of the Issue will be used to acquire further UK commercial properties in accordance with the Company's investment policy. There is currently demand for good quality UK commercial property investments. The generation of profits for distribution by the Group depends on the successful management of the Company's investments, the yields on existing and new properties, interest costs, taxes and the sale of properties. Until the net proceeds of the Issue are invested in UK commercial properties, the Board expects the income generated by the proceeds of the Issue to be lower than the income generated from funds invested by the Group in UK commercial properties. The Board expects that the net proceeds of the Issue will be fully invested within 12 months of Admission.

#### ***Dilution of Shareholders***

If the Proposals are implemented, Shareholders will experience dilution to their current ownership and voting interest in the Company of 11.8 per cent. as a result of the Conversion and if a Qualifying Shareholder does not take up their Open Offer Entitlement in full their current ownership and voting interest will be diluted by a further 19.8 per cent. if the Issue is fully subscribed.

#### ***Gearing***

Under the Articles the Preference Shares are redeemable in December 2013 for an amount equal to the Preference Share Liability of approximately £10.7 million. The Bank Facility of £85 million is also repayable in December 2013. In the event that the Company is not able to secure financing on acceptable terms, or at all, to refinance the Bank Facility and/or the Preference Share Liability (on the assumption that the Preference Shares have not already been converted into Ordinary Shares), the Company may be required to sell assets comprised in the Property Portfolio to fund such repayments

at less than their Market Value or at a time, and in circumstances, when the realisation proceeds are reduced because of a downturn in property values generally or because there is limited time to market the Group's properties in order to fund the redemption of the Preference Shares and/or the repayment of the Bank Facility or the terms payable by the Company under any refinancing may not be attractive.

In any such events the financial performance of the Group could be materially adversely affected. In the event that the Conversion of the Preference Shares is not approved by Shareholders or otherwise does not become effective, the amount that the Company would be required to fund in 2013 would be materially higher and in such event the impact of the risks described in this section would have a greater adverse impact on the financial performance of the Group.

The Directors expect, based on current market conditions, that the Company should be able to refinance the Bank Facility and the Preference Share Liability although it may be more costly or on less attractive terms if the amount to be refinanced is larger as a result of the requirement to redeem the Preference Share Liability.

## **Risks relating to the Group**

### ***Property and property-related assets***

The value of property and property-related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the valuations of the properties will reflect the actual sale price even where such sales occur shortly after the relevant valuation date.

The performance of the Group would be adversely affected by a downturn in the property market in terms of market value or a weakening of rental yields. In the event of default by a tenant or during any other void period, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveying costs in re-letting; maintenance costs, insurance costs, rates and marketing costs.

Returns from an investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the development or redevelopment and management of the property as well as upon changes in its market value. If rental income falls or expenses increase, in respect of the Property Portfolio, this would have an adverse effect on the Group's financial performance.

### ***Valuations***

The value of the Group's properties can be affected by factors outside of the Group's control, including declining demand for industrial, office and retail estate, changes in general economic conditions, changing local supply and the attractiveness of real estate relative to other investment choices. Failure to achieve successful sales of properties in the future at acceptable prices could have an adverse effect on the Group's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.

## DEFINITIONS

The meaning of the following terms shall apply throughout this document unless the context otherwise requires.

<b>Adjusted NAV per Share</b>	the NAV per Ordinary Share in pence on 30 June 2011 including all income to that date but after deduction of any dividend accrued to that date to which the new Ordinary Shares will not be entitled
<b>Admission</b>	the admission of the new Ordinary Shares to the Official List and to trading on the Main Market
<b>Admission Condition</b>	(i) the UKLA having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the new Ordinary Shares arising under the Conversion or the Issue, as the case may be, to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the Financial Services Authority and any listing conditions having been satisfied and (ii) the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the new Ordinary Shares will be admitted to trading
<b>Articles</b>	the articles of incorporation of the Company
<b>Bank</b>	The Royal Bank of Scotland plc, a company incorporated in Scotland with registered number SC090312
<b>Bank Facility</b>	the £85 million term loan facility provided to the Company by the Bank pursuant to the Facility Agreement
<b>Board or Directors</b>	the directors of the Company
<b>Company</b>	Standard Life Investments Property Income Trust Limited, a company incorporated in Guernsey with registered number 41352
<b>Conversion</b>	the conversion of the Preference Shares currently held by Standard Life Assurance into new Ordinary Shares at a premium of two per cent. to the Adjusted NAV per Share rounded to two decimal places
<b>Conversion Date</b>	the business day prior to Admission which is expected to be 21 July 2011
<b>Excess Application Facility</b>	the arrangement pursuant to which each Qualifying Shareholder may apply for new Ordinary Shares in excess of their Open Offer Entitlement of up to a maximum amount equal to five times their Open Offer Entitlement provided they have agreed to take up their Open Offer Entitlement in full and such application may be subject to scaling back in accordance with the provisions of the Prospectus
<b>Facility Agreement</b>	the facility agreement between, among others, the Bank and the Company
<b>Form of Proxy</b>	the form of proxy which accompanies this document for use by Shareholders in connection with the General Meeting

<b>General Meeting</b>	the general meeting of the Company to be held at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL at 3.00 p.m. on 29 June 2011 at which the Resolutions will be proposed to approve the Proposals
<b>Group</b>	the Company and the Property Subsidiary and any other direct or indirect subsidiary (as that term is defined in the Law) of the Company from time to time
<b>Independent Shareholders</b>	Shareholders other than Standard Life Investments, Standard Life Assurance and any of their associates and discretionary clients of such entities
<b>Investment Management Agreement</b>	the investment management agreement between the Group and the Investment Manager
<b>Investment Manager</b>	Standard Life Investments (Corporate Funds) Limited, a company incorporated in Scotland with registered number SC111488
<b>Issue</b>	the issue of new Ordinary Shares pursuant to the Placing and Open Offer
<b>Issue Price</b>	the price per Ordinary Share under the Placing and Open Offer equal to a premium of four per cent. to the Adjusted NAV per Share rounded to two decimal places
<b>Law</b>	The Companies (Guernsey) Law, 2008 as amended from time to time
<b>Listing Rules</b>	the listing rules made by the Financial Services Authority under Part VI of the Financial Services and Markets Act 2000 as amended from time to time
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Main Market</b>	the London Stock Exchange's main market for listed securities being a regulated market for the purposes of Directive 2004/39/EC the "Markets in Financial Instruments Directive"
<b>Memorandum</b>	the memorandum of incorporation of the Company
<b>NAV</b>	in relation to a Share, means its net asset value on the relevant date calculated in accordance with the Company's normal accounting policies
<b>new Ordinary Shares</b>	the Ordinary Shares to be issued pursuant to the Conversion and the Issue including the Excess Application Facility
<b>Official List</b>	the Official List of the UK Listing Authority
<b>Open Offer</b>	the proposed invitation by the Company to Qualifying Shareholders to apply for new Ordinary Shares at the Issue Price and on the terms and subject to the conditions to be set out in the Prospectus (and where applicable, the Application Form)
<b>Open Offer Entitlement</b>	the entitlement of a Qualifying Shareholder to apply for one new Ordinary Share for every three Ordinary Shares held by him or her on the Record Date
<b>Ordinary Shares or Shares</b>	ordinary shares of 1p each in the capital of the Company
<b>Placing</b>	the placing of Ordinary Shares at the Issue Price
<b>Preference Shares</b>	the six million redeemable zero dividend preference shares of 25p each in the capital of the Company

<b>Preference Share Liability</b>	the liability attached to the Preference Shares determined in accordance with the accounting policies of the Company including the accrued finance costs
<b>Property Portfolio</b>	the direct and indirect property assets of the Group from time to time
<b>Property Subsidiary</b>	Standard Life Investments Property Holdings Limited, a company incorporated in Guernsey with registered number 41351
<b>Proposals</b>	the Conversion and the Issue
<b>Prospectus</b>	the prospectus published by the Company in relation to the Issue and the introduction of new Ordinary Shares in connection with the Conversion dated 6 June 2011
<b>Qualifying Shareholders</b>	the holders of Ordinary Shares as set out in the register of members of the Company on the Record Date
<b>Record Date</b>	the record date for qualification for the proposed Open Offer being 5.00 p.m. on 3 June 2011
<b>Related Party</b>	a "related party" as defined in Chapter 11 of the Listing Rules, where there is more than one Related Party, the "Related Parties"
<b>Related Party Transaction</b>	the Conversion, being a "related party transaction" for the purposes of Chapter 11 of the Listing Rules
<b>Resolutions</b>	Resolutions 1 to 3 to be proposed at the General Meeting in connection with the Conversion and the Issue
<b>Resolution 1</b>	the ordinary resolution to be proposed at the General Meeting approving the Conversion as a "related party transaction" for the purposes of Chapter 11 of the Listing Rules
<b>Resolution 2</b>	the special resolution to be proposed at the General Meeting approving the Conversion and reclassifying the Preference Shares into Ordinary Shares
<b>Resolution 3</b>	the special resolution to be proposed at the General Meeting approving the Issue and the Directors' authority to allot shares on a non pre-emptive basis
<b>Second Interim Dividend</b>	the interim dividend in respect of the quarter to 30 June 2011 to be paid by the Company in August 2011
<b>Shareholders</b>	the holders of the Ordinary Shares
<b>Standard Life Assurance</b>	Standard Life Assurance Limited, a company incorporated in Scotland with registered number SC286833
<b>Standard Life Group</b>	Standard Life plc and its subsidiary undertakings from time to time including Standard Life Assurance, Standard Life Investments and the Investment Manager
<b>Standard Life Investments</b>	Standard Life Investment Funds Limited, a company incorporated in Scotland with registered number SC068442
<b>Total Assets</b>	the aggregate value of the assets of the Group less current liabilities of the Group (which shall exclude any proportion of the principal amounts borrowed for investment or amounts borrowed for working capital treated as current liabilities and any liability of an intra-group nature)

<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UKLA or UK Listing Authority</b>	the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
<b>Valuer</b>	Jones Lang LaSalle Limited, a company incorporated in England and Wales with registered number 01188567
<b>Winterflood Securities</b>	Winterflood Securities Limited, acting through its division, Winterfood Investments Trusts



## PART I

### LETTER FROM THE CHAIRMAN

## STANDARD LIFE INVESTMENTS PROPERTY INCOME TRUST LIMITED

*(incorporated in Guernsey with registered number 41352)*

#### *Directors*

Paul Orchard-Lisle (*Chairman*)  
Richard Barfield  
Sally-Ann Farnon  
Shelagh Mason  
David Moore

#### *Registered Office*

Trafalgar Court  
Les Banques  
St. Peter Port  
Guernsey  
GY1 3QL

6 June 2011

Dear Shareholder

### **PROPOSED CONVERSION OF PREFERENCE SHARES AND A PLACING AND OPEN OFFER**

#### **Introduction**

The Board announced proposals on 31 May 2011 to convert the Preference Shares, currently held by Standard Life Assurance, into new Ordinary Shares.

The Conversion has been proposed by the Board, with the approval of Standard Life Assurance, in order to increase the net assets of the Company, to reduce the Group's leverage and to reduce the funding requirements of the Company in December 2013 when the Bank Facility is due for repayment and the Preference Shares would otherwise have been redeemed. As at 3 June 2011 the Preference Shares had an aggregate Preference Share Liability, calculated in accordance with the accounting policies of the Company, of approximately £9.3 million.

The Conversion constitutes a "related party transaction" for the purpose of Chapter 11 of the Listing Rules as a result of Standard Life Assurance being a member of the Standard Life Group. Standard Life Investments, also a member of the Standard Life Group, is a substantial Shareholder in the Company as it holds on behalf of clients of the Standard Life Group, 16,644,609 Ordinary Shares representing approximately 14.4 per cent. of the issued share capital of the Company. The Investment Manager is also a member of the Standard Life Group. The Company is required by Chapter 11 of the Listing Rules to seek Shareholder approval for any "related party transaction" which it proposes to enter into. Resolution 1 therefore requests, by ordinary resolution, the approval of Independent Shareholders for the Conversion. Standard Life Investments will not vote on Resolution 1 as it is an associate of Standard Life Assurance. Under the Articles, the Conversion is also subject to Shareholders passing a special resolution at the General Meeting and the consent of the holder of the Preference Shares.

In addition, the Directors of the Company have announced proposals to raise additional equity share capital through a Placing and Open Offer the terms of which are set out in the accompanying Prospectus. The Board proposes to issue up to 38.5 million new Ordinary Shares pursuant to the Placing and Open Offer at a premium of four per cent. to the Adjusted NAV per Share in order to raise gross proceeds of up to £25 million to enable the Group to invest in further UK commercial properties in accordance with the Company's investment policy. There is no minimum amount to be raised before the Placing and Open Offer can proceed. However, the Issue is conditional on all of the Resolutions being passed at the General Meeting and the Admission Condition being satisfied.

The Company is proposing to offer all of the new Ordinary Shares available under the Issue to Qualifying Shareholders on a pre-emptive basis. The Board is proposing to seek Shareholder approval of the Issue and of further non pre-emptive issues of Ordinary Shares by way of a special resolution.

The purpose of this document is to provide Shareholders with further details of the Proposals and with notice of a General Meeting of the Company to consider and, if thought fit, pass the Resolutions to approve the Conversion and the Issue. It also explains the background to and reasons for the Proposals and the reasons why the Directors believe that the Resolutions are in the best interests of Shareholders as a whole and recommend that you vote in favour of the Resolutions at the General Meeting.

### **Related Party Transaction**

As at the date of this document, Standard Life Investments, a member of the Standard Life Group, is a substantial Shareholder in the Company as it holds, on behalf of clients of the Standard Life Group, 16,644,609 Ordinary Shares representing approximately 14.4 per cent. of the issued share capital of the Company. The Investment Manager is also a member of the Standard Life Group. The members of the Standard Life Group are therefore Related Parties, or associates of Related Parties, of the Company for the purposes of Chapter 11 of the Listing Rules.

Standard Life Assurance owns the six million issued Preference Shares which have an aggregate Preference Share Liability as at 3 June 2011, calculated in accordance with the accounting policies of the Company, of approximately £9.3 million. It is proposed that, conditional on the passing of Resolutions 1 and 2 at the General Meeting and the Admission Condition being satisfied in respect of the Conversion, the existing issued Preference Shares held by Standard Life Assurance will be converted into new Ordinary Shares. The Preference Shares will be converted into such number of new Ordinary Shares as have an aggregate value (being the Adjusted NAV per Share plus a premium of two per cent.) equal to the prevailing Preference Share Liability on the Conversion Date. The new Ordinary Shares will rank *pari passu* with the existing Ordinary Shares, save that they will not be entitled to the Second Interim Dividend in respect of the quarter to 30 June 2011 payable in August 2011.

It is estimated that the accrued Preference Share Liability on the Conversion Date (assuming Admission takes place, as expected, on 22 July 2011) will be approximately £9.3 million and therefore approximately 15 million new Ordinary Shares will arise on the Conversion. The premium of two per cent. referred to above would equate to a contribution towards the costs of the Proposals of approximately £190,000. The Conversion does not involve the payment of any cash and therefore the Company will not incur the costs that arise on the investment of cash into commercial properties that would otherwise arise on the issue of new Ordinary Shares for cash.

In accordance with the Company's Articles, the Conversion is also conditional upon the previous sanction of a special resolution passed at a separate general meeting of the holder of the Preference Shares. The Company has received an irrevocable undertaking from Standard Life Assurance to vote in favour of the special resolution to be proposed at this separate general meeting.

In the event that the Conversion becomes unconditional but the Issue does not proceed, members of the Standard Life Group, on their own behalf and on behalf of discretionary clients, would own approximately 24.3 per cent. of the issued share capital of the Company and in the event that the Conversion and the Issue becomes unconditional (on the assumption that the Issue is fully subscribed and Qualifying Shareholders take up their Open Offer Entitlements in full) such companies would own approximately 22.0 per cent. of the issued share capital of the Company.

As Standard Life Assurance is a member of the Standard Life Group the Conversion is a Related Party Transaction for the purposes of the Listing Rules.

Therefore, Resolution 1 set out in the notice of the General Meeting at the end of this document requests, by way of an ordinary resolution, the approval of Independent Shareholders for the Conversion.

Pursuant to the requirements of Chapter 11 of the Listing Rules, Standard Life Assurance as a Related Party has undertaken to take all reasonable steps to ensure that its associates will not vote on Resolution 1. Standard Life Investments, on behalf of its discretionary clients, has undertaken to vote in favour of Resolutions 2 and 3 at the General Meeting. In accordance with the Articles, the Preference Shares do not confer on Standard Life Assurance any right to attend or any right to vote at any general meeting of the Company except in the event of a voluntary winding up of the Company.

## **The Issue**

The Board wishes to raise additional capital to take advantage of further opportunities to acquire UK commercial properties in accordance with the Company's investment policy and it is therefore proposing the Placing and Open Offer. The full terms of the Placing and Open Offer are set out in the accompanying Prospectus.

The Board and the Investment Manager believe that there are good opportunities to acquire further UK commercial properties that will enhance the performance of the Property Portfolio. Over the 12 months to 31 March 2011 the Company purchased three properties and it is the Board's intention that the Group will continue to actively explore further investment opportunities.

Under the Placing and Open Offer, the Company is proposing to issue up to 38.5 million new Ordinary Shares to raise gross proceeds of approximately £25 million. In the light of the costs that will be incurred in investing the cash proceeds of the Issue, the new Ordinary Shares will be issued at a premium of four per cent. to the Adjusted NAV per Share. The net proceeds of the Placing and Open Offer which are expected to be approximately £24.3 million (on the assumption that the Issue is fully subscribed) will be used to acquire further UK commercial properties in accordance with the Company's investment policy. There is no minimum amount to be raised under the Issue.

The Board will offer the full 38.5 million new Ordinary Shares pre-emptively, on a *pro rata* basis, to Qualifying Shareholders (on the basis of one new Ordinary Share for every three Ordinary Shares held on the Record Date) under the Open Offer. The new Ordinary Shares will also be conditionally placed with placees, subject to placing commitments being clawed back to satisfy valid applications by Qualifying Shareholders under the Open Offer.

Qualifying Shareholders have the opportunity to make excess applications, if they wish to do so, up to a maximum amount equal to five times of their Open Offer Entitlement under the Excess Application Facility, subject to new Ordinary Shares being available once the applications for *pro rata* entitlements under the Open Offer and commitments under the Placing have been taken into account.

The Issue is conditional on the Admission Condition being satisfied and the passing of all of the Resolutions at the General Meeting. If the Admission Condition is not satisfied or the Resolutions are not passed at the General Meeting the Issue will not proceed. The Issue is not underwritten and there is no minimum amount that requires to be issued under the Issue for the Issue to proceed.

If the Proposals are approved, Shareholders will experience dilution in their ownership and voting interest in the Company of 11.8 per cent. as a result of the Conversion and if a Qualifying Shareholder does not take up their Open Offer Entitlement in full their current ownership and voting interest will be diluted by a further 19.8 per cent. if the Issue is fully subscribed.

Full details of the terms of the Open Offer are set out in the accompanying Prospectus. The new Ordinary Shares will rank *pari passu* with the existing Ordinary Shares, save that they will not be entitled to the Second Interim Dividend.

## **Benefits of the Proposals**

The Board considers the terms of the Conversion to be fair and reasonable as the premium to the Adjusted NAV per Share on the new Ordinary Shares to be issued pursuant to the Conversion will contribute to the costs of the Issue. The Board believes that the Proposals offer significant benefits for all Shareholders as noted below.

- The Conversion will assist the Board in managing the funding requirements of the Group in December 2013 when the Bank Facility is due for repayment and the Preference Shares would otherwise have been redeemed.
- The Conversion and any proceeds raised under the Issue will increase the net and gross assets of the Company respectively and reduce the leverage of the Group.
- The Issue offers the Company the potential opportunity to acquire further commercial properties that should enhance the performance of the Property Portfolio. The Board believes that such acquisitions should also further diversify the Property Portfolio.
- The Proposals significantly increase the market capitalisation of the Company which should therefore increase liquidity in the Ordinary Shares.

- As a result of the Proposals, the fixed costs of the Group would be spread over a larger asset base and therefore the total expense ratio of the Group would be reduced.

The costs and expenses of the Proposals are expected to be approximately £500,000 (on the assumption that the Issue is fully subscribed) after deducting the amount of the premium on the issue of the new Ordinary Shares arising under the Conversion.

In the event that the Placing and Open Offer is not implemented, but the Conversion is approved and becomes unconditional, the costs and expenses would be approximately £185,000, after deducting the amount of the premium on the issue of the new Ordinary Shares arising under the Conversion, which would equate to approximately 0.16p per Ordinary Share.

In the event that the Proposals as a whole are not implemented the abort costs that would be incurred by the Company have been limited to approximately £200,000, being equal to approximately 0.17p per Ordinary Share.

The net proceeds of the Placing and Open Offer will be used to acquire UK commercial properties in accordance with the Company's investment policy. The typical costs of acquiring UK commercial properties are approximately 5.75 per cent. of the purchase price thereof. The new Ordinary Shares will be issued at a premium of four per cent. to the Adjusted NAV per Share. It is expected that, based on the Issue Price of the new Ordinary Shares, the costs and expenses of the Proposals (after deducting the premium arising on the Conversion) and assuming full market standard costs of acquiring commercial properties, the Proposals and the subsequent acquisition of properties with the proceeds, if any, of the Placing and Open Offer will result in a small reduction in the NAV per Share over the period of investment.

#### **Dividends**

It is the Board's policy that in paying dividends it should target a high level of dividend cover. In the absence of unforeseen circumstances, the Board expects to pay a Second Interim Dividend of 1.1p in respect of the quarter to 30 June 2011 which will be paid in August 2011.

In the light of the Investment Manager's success in investing the Company's cash resources in acquisition opportunities, the Board intends, in the absence of unforeseen circumstances, to increase the quarterly dividend for the remaining six months of the current financial year to 1.133p per quarter, an increase of 3 per cent. Although the investment of the proceeds, if any, of the Issue may reduce dividend cover in the short term, the Board intends to maintain its policy of targeting a high level of dividend cover over the medium term.

New Ordinary Shares issued pursuant to the Conversion and/or the Issue will not be entitled to the Second Interim Dividend.

#### **General Meeting**

The Proposals require the approval of Shareholders as a result of provisions contained in the Articles, the Listing Rules and the requirements of the Law. The Resolutions will be proposed at the General Meeting which will be held at 3.00 p.m. on 29 June 2011 at the registered office of the Company. At the General Meeting the following resolutions will be proposed.

Resolution 1 will be proposed as an ordinary resolution that requires to be passed by a simple majority to approve the Related Party Transaction. Only Independent Shareholders shall be entitled to vote on Resolution 1. Standard Life Investments will not vote on Resolution 1 as it is an associate of Standard Life Assurance.

Resolution 2, which is conditional on Resolution 1 being passed, will be proposed as a special resolution that requires to be passed by a three-quarters majority to approve the Conversion. All Shareholders shall be entitled to vote on Resolution 2.

Resolution 3, which is conditional on Resolutions 1 and 2 being passed, will be proposed as a special resolution that requires to be passed by a three-quarters majority to approve the issue of: (i) Ordinary Shares on a non pre-emptive basis pursuant to the Issue; and (ii) equity securities on a non pre-emptive basis up to an aggregate nominal value of £168,900 being approximately 10 per cent. of the nominal value of the issued share capital of the Company following the completion of the Conversion and the Issue (on the assumption the Issue is fully subscribed). All Shareholders shall be entitled to vote on Resolution 3.

If Resolutions 1 and 2 are not passed, neither the Conversion nor the Issue will be implemented. The Conversion is not conditional on Resolution 3 being approved. However, the Placing and the Open Offer are conditional on the Conversion being implemented.

**Action to be taken**

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it to Computershare Investor Services (Jersey) Limited, The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received as soon as possible and, in any event, not later than 3.00 p.m. on 27 June 2011.

**Recommendation**

The Board, which has been so advised by Winterflood Securities, considers that the Conversion is fair and reasonable so far as Shareholders are concerned and is in the best interests of Shareholders as a whole. In providing its advice, Winterflood Securities has taken into account the Board's commercial assessments of the Proposals.

The Board considers that the Resolutions are in the best interests of Shareholders taken as a whole and accordingly unanimously recommends that Shareholders vote in favour of the Resolutions to be put to the General Meeting. The Directors who in aggregate have an interest in 100,000 Ordinary Shares (being approximately 0.1 per cent. of the issued Ordinary Shares) intend to vote their entire beneficial holdings, to the extent that they are entitled to vote such holdings, in favour of the Resolutions.

Standard Life Assurance, which holds only Preference Shares in the Company is not entitled, under the Articles, to attend or vote and therefore will not vote at the General Meeting and as a Related Party it has undertaken to take all reasonable steps to ensure that its associates will not vote on Resolution 1 at the General Meeting. The Company has received an irrevocable undertaking from Standard Life Investments that it will not vote on Resolution 1 at the General Meeting as it is an associate of Standard Life Assurance but that it will vote in favour of Resolutions 2 and 3 at the General Meeting.

Yours faithfully

Paul Orchard-Lisle  
*Chairman*

## PART II

### ADDITIONAL INFORMATION

#### 1. Major Shareholders

- 1.1. As at 3 June 2011 (being the latest practicable date prior to publication of this document), the Company is aware of the following persons who would be interested in 3 per cent. or more of the issued share capital of the Company:

	<i>Number of Ordinary Shares as at 3 June 2011</i>	<i>Percentage of current issued Ordinary Shares</i>
Brewin Dolphin	25,828,438	22.4%
Clients of Standard Life Investments Limited	16,644,609	14.4%
M&G Investment Management	8,359,546	7.2%
Rensburg Sheppards Investment Management	5,828,660	5.1%
Baring Asset Management	5,409,829	4.7%
Legal and General Investment Management	4,302,761	3.7%
BlackRock	3,800,222	3.3%
TD Waterhouse	3,615,421	3.1%

- 1.2. Standard Life Assurance owns 100 per cent. of the issued Preference Shares which are unlisted and as at 3 June 2011 (the latest practicable date prior to the publication of this document) had a Preference Share Liability of approximately £9.3 million. In the event that the Conversion and Issue become unconditional (on the assumption that the Issue is fully subscribed and Qualifying Shareholders take up their Open Offer Entitlements in full) members of the Standard Life Group, on their own and on behalf of discretionary clients will own approximately 22.0 per cent. of the issued share capital of the Company.
- 1.3. Save as described above, the Company is not aware of any person who is as at 3 June 2011 (being the latest practicable date prior to publication of this document) or, following the Issue, will be interested directly or indirectly in 3 per cent. or more of any class of issued share capital of the Company or of any person or persons who, following the Issue, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

#### 2. No significant Change

Since 31 December 2010 (being the end of the last financial period of the Company for which financial information has been published), there has been no significant change in the financial or trading position of the Group.

#### 3. Material contracts

No material contracts, other than contracts entered into in the ordinary course of business, have been entered into by any member of the Group during the period beginning two years immediately preceding the publication of this document.

#### 4. Service Contracts

None of the Directors have service contracts with the Company. Each of Paul Orchard-Lisle, Richard Barfield, Shelagh Mason and David Moore have entered into a letter of appointment with the Company dated 1 December 2003. Sally-Ann Farnon has entered into a letter of appointment dated 23 June 2010. The letters of appointment provide that after an initial period of service, which commenced on 18 November 2003 (save for Sally-Ann Farnon's which commenced on 1 July 2010) and expired on 31 December 2006 (save for Sally-Ann Farnon's which expired at the first annual general meeting of the Company after her appointment), the Directors' appointments and re-appointments are subject to the Memorandum and Articles from time to time (including those provisions for retirement by rotation and early cessation). The Company has the right to terminate each appointment without compensation if the relevant Director is required to vacate office in accordance with the Articles and/or the Law and,

subject thereto, the letters of appointment do not contain any contractual provisions regarding the compensation which would be payable upon early termination by the Company. None of the Directors receive any pension benefits from the Company, nor do they participate in any bonus or incentive schemes. Accordingly, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.

## **5. Directors' interests in Shares**

- 5.1. As at the date of this document, other than as disclosed in paragraph 5.2 of this Part II, there are no interests of any Director, including any connected persons of any Director, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company or any options in respect of such capital.
- 5.2. The Directors do not have any options over Shares. As at the date of this document, the Directors have the following numbers of Ordinary Shares all of which are beneficially held:

	<i>Number of Ordinary Shares as at the date of this document</i>	<i>Percentage of current issued Ordinary Shares</i>
Paul Orchard-Lisle	25,000	0.022
Richard Barfield	30,000	0.026
Sally-Ann Farnon	15,000	0.013
Shelagh Mason	15,000	0.013
David Moore	15,000	0.013

## **6. Related party transactions**

The Company was not a party to, nor had any interest in, any related party transaction (as defined in the Standards adopted according to the Regulation (EC) No 1606/2002) at any time during the period from 31 December 2008 to the date of this document).

## **7. Dealings in new Ordinary Shares**

Application has been made to the UKLA and the London Stock Exchange for the new Ordinary Shares to be issued in connection with the Issue (including the Excess Application Facility) and the Conversion to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market. It is expected that dealings in such new Ordinary Shares will commence on 22 July 2011. Application will also be made to the Channel Islands Stock Exchange, LBG for all of the new Ordinary Shares to be admitted to the official list of the Channel Islands Stock Exchange. It is proposed that up to 53.5 million new Ordinary Shares are issued pursuant to the Issue (including the Excess Application Facility) and the Conversion. Fractions of new Ordinary Shares will not be issued. The new Ordinary Shares will be issued in registered form and will be capable of being held in certificated or uncertificated form. Pending the issue of definitive certificates in respect of the new Ordinary Shares, transfers will be certified against the register.

## **8. Consent**

Winterflood Securities, which is authorised and regulated in the UK by the Financial Services Authority, has given and has not withdrawn its written consent to the inclusion herein of its name and the reference to it in the form and context in which they appear.

## **9. Guernsey regulatory requirements**

The Company is an Authorised Closed Ended Investment Scheme under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Schemes Rules 2008 made thereunder (the "Rules"). Notification of the Proposals outlined in this document relating to the Issue and the Conversion have been given to the Guernsey Financial Services Commission pursuant to the Rules.

#### **10. Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and the registered office of the Company whilst the Placing and Open Offer remains open:

- (i) the Memorandum and Articles of the Company;
- (ii) the letters of appointment referred to in paragraph 4 of this Part II;
- (iii) the Company's reports and accounts for the three financial periods to 31 December 2010; and
- (iv) this document.

Dated: 6 June 2011



# **STANDARD LIFE INVESTMENTS PROPERTY INCOME TRUST LIMITED**

*(incorporated in Guernsey with registered number 41352)*

## **NOTICE OF GENERAL MEETING**

NOTICE IS HEREBY GIVEN that a General Meeting of Standard Life Investments Property Income Trust Limited (the "Company") will be held at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL at 3.00 p.m. on 29 June 2011 for the purpose of considering and, if thought fit, passing resolution 1 as an ordinary resolution and resolutions 2 and 3 as special resolutions:

### **Ordinary Resolution**

1. THAT the Conversion (as defined in the circular of the Company dated 6 June 2011 which accompanies this notice), being a related party transaction for the purpose of the Listing Rules of the UK Listing Authority, be and is hereby approved.

### **Special Resolutions**

2. Subject to the passing of Resolution 1 above and the special class consent resolution at the separate class meeting of the holder of preference shares of 25p each in the capital of the Company (the "Preference Shares") convened for 2.45 p.m. on 29 June 2011 (or any adjournment thereof), each of the six million Preference Shares in issue and held by Standard Life Assurance Limited shall be subdivided into 25 new preference shares of 1 pence each in the capital of the Company (the "New Preference Shares") and such number (rounded down to the nearest whole number) of the New Preference Shares shall be reclassified as and converted into ordinary shares of 1p each (the "Ordinary Shares") carrying the rights, privileges and subject to the restrictions attached to the ordinary shares as set out in the articles of incorporation of the Company, as is the amount determined by dividing the Preference Share Liability (as defined in the circular of the Company dated 6 June 2011 (the "Circular")) on the Conversion Date (as defined in the Circular) by an amount equal to 102 per cent. of the Adjusted NAV per Share (as defined in the Circular and expressed in pounds sterling) and that any remaining New Preference Shares shall be acquired by the Company in consideration for and immediately following such conversion and cancelled.
3. In substitution for any existing power and authority granted to the Directors and subject to the passing of Resolutions 1 and 2 above and the special class consent resolution at the separate class meeting of the holder of preference shares convened for 2.45 p.m. on 29 June 2011, the Directors be and are hereby generally empowered to allot Ordinary Shares in the Company or grant rights to subscribe for, or to convert securities into, Ordinary Shares in the Company ("equity securities"), including the allotment and grant of rights to subscribe for, or to convert securities into, Ordinary Shares held by the Company as treasury shares for cash, as if any pre-emption rights in relation to the issue of shares, as set out in the Listing Rules made by the Financial Services Authority under Part VI of the Financial Services and Markets Act 2000 (as amended) did not apply to any such allotment of or grant of rights to subscribe for or convert into equity securities, provided that this power:
  - (a) shall expire on the date falling 15 months after the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

- (b) shall be limited to the allotment of equity securities: (i) pursuant to the Issue (as defined in the circular of the Company dated 6 June 2011); and (ii) otherwise than pursuant to the Issue, up to an aggregate nominal value of £168,900 being approximately 10 per cent. of the nominal value of the issued share capital of the Company following the completion of the Issue (on the assumption that the Issue is fully subscribed).

*By Order of the Board*

Northern Trust International Fund  
Administration Services (Guernsey) Limited  
Secretary

*Registered office*

Trafalgar Court  
Les Banques  
St. Peter Port  
Guernsey  
GY1 3QL

Dated: 6 June 2011

**Notes:**

1. A member who is entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him or her. More than one proxy may be appointed provided each party is appointed to exercise the rights attached to different shares. A proxy need not be a member of the Company.
2. A form of proxy is enclosed for use at the meeting. The form of proxy should be completed and sent, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, so as to reach Computershare Investor Services (Jersey) Limited, The Pavilions, Bridgewater Road, Bristol BS99 6ZY not later than 3.00 p.m. on 27 June 2011 (or, in the case of any adjournment, not less than 48 hours prior to the time of the adjourned meeting).
3. Completing and returning a form of proxy will not prevent a member from attending the Meeting in person. If you have appointed a proxy and attend the Meeting in person your proxy appointment will remain valid and you may not vote at the Meeting unless you have provided a hard copy notice to revoke the proxy to Computershare Investor Services (Jersey) Limited, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY no less than 48 hours (excluding any part of a day that is not a working day) prior to the commencement of the Meeting as set out above.
4. To have the right to attend, speak and vote at the Meeting (and also for the purposes of calculating how many votes a member may cast on a poll) a member must first have his or her name entered on the register of members not later than close of business on 27 June 2011 or in the case of an adjourned meeting 48 hours prior to the holding of the adjourned meeting. Changes to entries in the register after that time shall be disregarded in determining the rights of any member to attend and vote at such Meeting.
5. As at 3 June 2011, the Company's issued share capital comprised 115,399,999 Ordinary Shares with a total of 115,399,999 voting rights. As at 3 June 2011, the Company did not hold any Shares in treasury.
6. Any person holding 3 per cent. or more of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such other party complies with their respective disclosure obligations under the Disclosure and Transparency Rules of the Financial Services Authority.

**INVENTORY OF WRITS RELEVANT TO APPLICATION FOR REGISTRATION** (see Note 1)  
(to be completed in duplicate)

Burness LLP  
50 Lothian Road  
Festival Square  
Edinburgh  
EH3 9WJ

**Title Number(s)**  
(to be completed for a dealing with  
registered interests in land.)

(see Note 2)

GLA178750

ED73 Edinburgh

**Subjects** (see Note 3) Ground at Pacific Quay, Glasgow

**Registration County** Glasgow

**Applicant's Reference** GMR/SUN/5/9 (802044)

Please complete Inventory overleaf as in this specimen

Particulars of Writs (see Note 4)				
Item No.	Please mark "S" against writs submitted	Writ	Grantee	Date of Recording
		Land Certificate*		
		Charge Certificate*		
1	-	Feu Charter	Upright Builders Ltd	2 May 1938
2	S	Feu Disposition	Smith	4 Feb 1939

\*Delete if inapplicable

Notes 1-4 referred to are contained in Notes and Directions for Completion of Inventory of Writs Relevant to Application for Registration.

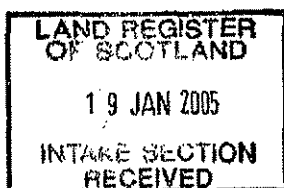
**FOR OFFICIAL USE ONLY**

**APPLICATION NUMBER**

**DATE OF RECEIPT**

**TITLE NUMBER**

05GUA02349



GLA178750

The writs marked "S" on this inventory were received on the Date of Receipt stamped on this page.

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acting under delegated authority of the Queen's Printer for Scotland

# INVENTORY

Particulars of Writs (see Note 4)

Please mark "S"  
against writs  
submitted

Writ

Grantee

Date of  
Recording

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

1

S

Disposition

Sun Life Unit Assurance

Limited

Note: Land Certificate

for Title Number

GLA178750

has not yet been

issued.

2

S

SDLT5

3

S

Agents Letter

## Financial Services Authority

Fax



## Local Fax:

Date: 06 June 2011

To: Fiona Reading

Company: Dickson Minto WS

Fax number: 0131 225 2712

From: Mandeep Lehal

Department: UK Listing Authority

Telephone number: 0207 066 8208

Total number of pages 3 (including this page):

## Message:

Please find attached the approved front pages of the Circular and Prospectus on behalf of Sumit Gupta. The original stamped documents will follow by post.

## Confidentiality Note

This fax and the information it contains, which may be privileged and/or confidential, is for the use of the addressee(s). The unauthorised use, disclosure or copying of this fax or such information is strictly prohibited and could, in certain circumstances, be a criminal offence. If you are not the addressee, and are in possession of this fax (or any copy) without the consent of any addressee, please notify us immediately by telephone at +44 (0)20 7066 1000. (NB: If you do not receive all papers or they are illegible, please inform us immediately)

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Telephone +44 (0)20 7066 1000 Fax +44 (0)20 7066 1099  
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