



# **Interim Report and Condensed Financial Statements**

**Standard Life Investments  
Property Income Trust Limited  
1 January 2012 to 30 June 2012**

**Standard Life**  
Investments

# Standard Life Investments Property Income Trust Limited

30 June 2012

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# Standard Life Investments Property Income Trust Limited

## Objective, Investment Policy & Financial Highlights

### Financial Highlights

- New seven year £84.4m loan facility, maturing 16 December 2018, drawn down in January 2012 on attractive terms.
- Dividend of 2.266p paid in respect of the six months to 30 June 2012
- Dividend yield of 7.2% based on 30 June 2012 share price of 63.25p
- Total return of 3.0% (excluding cash) for six months to 30 June 2012, compared to IPD benchmark return of 0.9%.\*
- Two properties purchased during the period for £12.4m

### Objective

To provide shareholders with an attractive level of income together with the prospect of income and capital growth.

### Investment Policy

The Directors intend to achieve the investment objective by investing in a diversified portfolio consisting of UK commercial real estate. The majority of the portfolio will be invested in direct holdings within the three main sectors of Retail, Office, and Industrial, although it may also invest in “other” commercial property such as hotels, nursing homes and student housing. Investment in property development and investment in co-investment vehicles is permitted (maximum 10% of the portfolio).

In order to manage risk, without compromising flexibility, the Directors will apply the following restrictions to the portfolio in normal market conditions:

- No property will be greater by value than 15% of total assets.
- No tenant (excluding Government) shall be responsible for more than 20% of the Company's rent roll.
- The Board targets a loan to value (“LTV”) ratio (calculated as borrowings less all cash as a proportion of property portfolio valuation) of between 35% and 45%. Borrowings as a percentage of gross assets may not exceed 65%.

An analysis of how the portfolio was invested as at 30 June 2012 is contained within the Investment Manager's Report.

\* Source: quarterly version of IPD monthly index funds

# Standard Life Investments Property Income Trust Limited

## Financial Summary

	30 June 2012	31 Dec 2011	% Change
Net Asset Value per share <sup>1</sup>	61.4p	63.9p	-3.9%
Published adjusted Net Asset Value per share <sup>2</sup>	60.3p	62.7p	-3.8%
Share Price	63.25p	51.75p	22.2%
Value of total assets	£179.9m	£181.9m	-1.1%
Loan to value <sup>3</sup>	45.5%	41.1%	-
Cash balance	£5.9m	£17.8m	-
	30 June 2012	30 June 2011	
Dividends per share	2.266p	2.200p	+3.0%
	6 months to 30 June 2012	12 months to 31 Dec 2011	
Property income return	4.0%	7.6%	
IPD property income monthly index <sup>4</sup>	3.3%	6.2%	
Property total return (property only)	3.0%	6.5%	
Property total return (property and cash only)	2.7%	5.9%	
IPD property total return monthly index <sup>4</sup>	0.9%	7.4%	
<p><sup>1</sup> Calculated under International Financial Reporting Standards.</p> <p><sup>2</sup> Calculated under International Financial Reporting Standards, adjusted to include the dividend of 1.133p per share in respect of the quarter ending 30 June 2012.</p> <p><sup>3</sup> Calculated as bank borrowings less full cash balance as a percentage of the open market value of the property portfolio as at 30 June 2012.</p> <p><sup>4</sup> Source: IPD quarterly version of monthly index funds (excluding cash).</p>			

# Standard Life Investments Property Income Trust Limited

## Chairman's Statement



**Paul Orchard-Lisle**  
Chairman

In the last six months, the Board and the Trust's managers have continued to make enhancement and collection of rents due the first priority. At the same time, work has continued to reshape the portfolio so that it is able to deliver growth as the market improves.

### Income

Our income streams depend on the financial well being of our tenants and if tenants leave, on our ability to achieve new lettings. As has been reported extensively in the media, many occupiers are experiencing tough trading conditions and as a result are inclined to manage what they have rather than expand. I cannot see grounds for a material improvement in business sentiment in 2012, but overall, the Trust's letting profile is encouraging - typically we collect 95% of the rents due within 14 days of each quarter end and our voids are currently 6.3% (versus the industry average of 10%).

### Portfolio activity

The Investment Manager's report sets out purchases, sales and asset management activity during the six months. The highlights were purchases in Cheltenham and Glasgow, at a total cost of £12.4m, and a sale in Leeds for £1.0m. As a result, as at 30 June, our cash balance was £5.9m.

### Performance

In the six months to 30 June 2012, the income from lettings generated a return of 4.0% compared with the IPD monthly index of 3.3%. The published valuation of the property assets

was £172.4m, with capital values falling 1.0% over the period. This compares favourably with a decline of 2.4% in the IPD monthly index (capital return).

My observation is that it is particularly hard for valuers to ascribe an accurate capital value to properties where the occupational leases have only a short time to run. While the IPD states that about 34% of all tenants renew their leases, the Company's experience has been rather better with over 75% retention in 2011, 2012 and 2013 already secured. There is a tendency for valuers to err on the side of caution which can sometimes pave the way for a leap in values if leases are renewed on favourable terms.

Over the six month period, the NAV per share decreased from 62.7p to 60.3p. As well as the fall in property values, the NAV was impacted by the purchase costs of the new properties, an increase in the value of the swap liability and one-off costs of the new debt facility.

### Bank funding

In January 2012 the Company renegotiated its £84.4m bank facility with RBS on very favourable terms. In summary, post December 2013 the all-in interest rate will fall from 6.3% to 3.8% p.a. providing a significant interest cost saving and improving the level of our dividend cover. To lock in this attractive low interest rate and provide certainty on future interest cost post December 2013 the Company entered into new swap arrangements that fix the interest rate payable on the total borrowings.

# Standard Life Investments Property Income Trust Limited

## Chairman's Statement (continued)

### Dividends

On 25 May 2012 a dividend of 1.133p per share was paid to shareholders, and a further dividend of 1.133p per share was paid on 24 August 2012 to shareholders on the register on 10 August 2012.

The current share price of 60.50p offers an attractive dividend yield of 7.5%.

### Share Issues

On 10 May 2012, the Company allotted 750,000 new ordinary shares at 63.50p per share. After the reporting period end, a further 1,000,000 new ordinary shares were issued at prices of 62.50p per share and 63.00p per share. The total number of ordinary shares in issue now stands at 138,381,746.

**Paul Orchard-Lisle CBE**  
**Chairman**  
**30 August 2012**

# Standard Life Investments Property Income Trust Limited

## Directors' Responsibility Statement

### Principal Risks and Risk Uncertainties

The Company's assets consist of direct investments in UK commercial property. Its principal risks are therefore related to the commercial property market in general, but also the particular circumstances of the properties in which it is invested and their tenants. The Directors, along with the Investment Manager seek to mitigate these risks through continual review of the portfolio, active asset management initiatives, and carrying out due diligence work on potential tenants before entering into new lease agreements. All of the properties in the portfolio are insured. Other risks faced by the Company include economic, strategic, regulatory, financial and operational.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Company's property portfolio. More detailed explanations of these risks and the way in which they are managed are provided in the 2011 Annual Report.

The Board and the Investment Manager recognise the importance of the share price relative to net asset value in maintaining shareholder value. The Investment Manager meets with current and potential shareholders on a regular basis, as well as with investment company analysts.

These principal risks and uncertainties have not changed from those disclosed in the 2011 Annual Report.

### Directors' Responsibility Statement

The Directors are responsible for preparing the Interim Management Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The condensed set of Financial Statements have been prepared in accordance with IAS 34; and
- The Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Services Authority's Disclosure and Transparency Rules.
- In accordance with 4.2.9R of the Financial Services Authority's Disclosure and Transparency Rules, it is confirmed that this publication has not been audited, or reviewed by the Company's auditors.

The Interim Report, for the six months ended 30 June 2012, comprises an Interim Management Report in the form of the Chairman's Statement, the Investment Manager's Report, the Directors' Responsibility Statement and a condensed set of Unaudited Consolidated Financial Statements.

The Directors each confirm to the best of their knowledge that:

- (a) the Unaudited Consolidated Financial Statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and net return of the Group; and
- (b) the Interim Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties faced.

For and on behalf of the Directors of Standard Life Investments Property Income Trust Limited

**Paul Orchard-Lisle CBE**  
Chairman  
30 August 2012

# Standard Life Investments Property Income Trust Limited

## Investment Manager's Report



**Jason Baggaley**  
Fund Manager

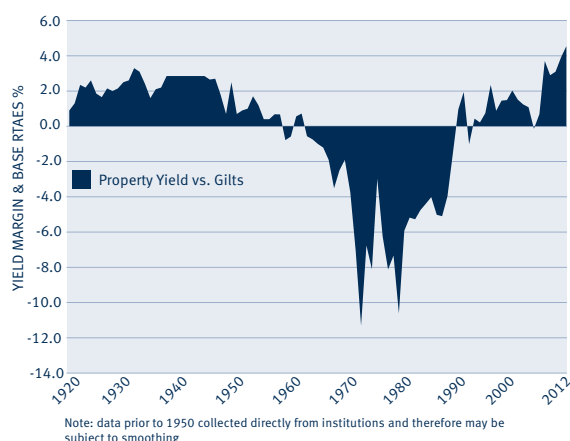
### UK Commercial Real Estate Market

At a market level, the UK commercial real estate market annualised total returns continued to decline in the first half of 2012, with the IPD Quarterly version of monthly valued funds returning 4.1% in the 12 months to end June 2012. This return comprised an income return of 6.1%, with capital values declining by 1.9%. Capital values have declined each month during the period, but the strong income characteristic that UK Commercial real estate is associated with, has meant total returns have remained positive. For the six months to 30 June 2012, the total return on the quarterly version of the IPD monthly index was 0.9%, comprising an income return of 3.3% and a capital decline of 2.4%.

time frame compared to 3.3% for the FTSE All Share. The listed operators that have exposure to the outperforming Central London market generally remain on a slight premium to NAV. The rest of the sector, however, continues to be priced on a reasonable discount to NAV reflecting the anticipation of further declines in capital values, amongst other factors. UK real estate remains fairly priced compared to Gilts, with a continued high margin of circa 400bps, driven in part by the continued decline in 10 year gilt yields.

Offices continue to provide the highest returns, with a total return of 6.4% p.a. in the twelve months to end June compared to 5.9% p.a. for industrials and 3% p.a. for retail over the same time frame. Rents in the office sector grew by 1.6% p.a. in the twelve months up to the end of June whilst they fell by 0.8% p.a. and 1% p.a. in the industrial and retail sectors respectively.

### Property Margin Over Bonds



Despite the heightened volatility, listed real estate equities recorded a credible performance over the six months to 30 June. The FTSE EPRA/NAREIT UK return was 14.4% over this

### Investment Outlook

UK real estate returns reduced over the period but remain firmly in positive territory on an annual basis. Our view remains that we are likely to see some further modest decline in capital values over the next few months. The decline is likely to be more accentuated for poor quality and less well located secondary and tertiary assets because of the weaker fundamentals, i.e. elevated supply and subdued demand. Despite the anticipated near term weakness in values for the wider market, we continue to expect reasonable positive total returns for investors on a three year hold period



# Standard Life Investments Property Income Trust Limited

## Investment Manager's Report (continued)

as yields compensate for any modest capital declines. The sector remains attractive from a fundamental point of view, i.e. reasonable economic drivers and a constrained pipeline of future new developments. The retail sector continues to face a series of headwinds that may hold back recovery in weaker locations but the prospects for retail towards the south east and Central London are expected to improve as economic recovery gains more traction.

Ensuring the quality and sustainability of income remains a key investment decision making criterion given the relatively weak economic backdrop. Investors remain cautious towards poorer quality secondary and tertiary stock and it is these type of assets that are most vulnerable to a further decline in pricing because of the relatively high levels of availability, the weaker prospects for economic growth in most secondary centres and the increasing supply of these assets from banks as they work through their problem loan books and also less demand from investors for this kind of stock. We continue to expect asset management initiatives and locational choices to be the defining characteristics contributing to income returns in the remainder of 2012 and into 2013. We also expect income to be the main component of returns over this period as capital values moderate. Prime/good quality secondary assets in stronger locations are likely to be most resilient in the weak economic environment we anticipate across 2012 and into 2013.

### Performance

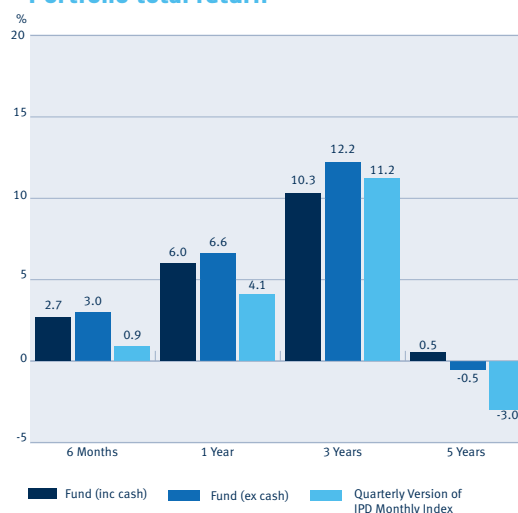
The Company measures its performance on two levels, firstly on a share price return (dividends reinvested), and secondly at a portfolio level compared to the direct property market, as measured by the IPD quarterly index of monthly valued funds. The Company's focus on providing an attractive income return can be clearly seen against IPD, however this has not been at the expense of total returns, where its active approach has assisted in strong medium term returns at a time where high yielding real estate has under performed at a market level.

The Company subscribes to a benchmarking service, the Investment Property Databank (IPD)

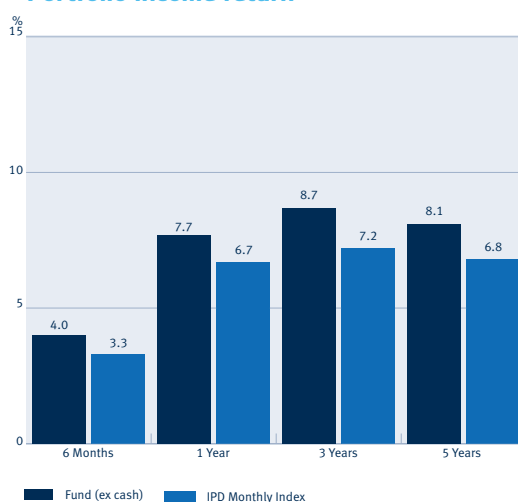
to measure the performance of its investment portfolio. The Board focuses on both total return and income return performance.

The Company's Real Estate investment portfolio has produced a total return of 3.0% in the reporting period, which compares favourably to the benchmark return of 0.9% for the quarterly version of IPD Monthly Index Funds. The portfolio has outperformed the benchmark on a total return basis over 3, 6 and 12 months, as well as over 3 and 5 years. The income return of 4.0% over the period also exceeds the monthly index return of 3.3%.

### Portfolio total return



### Portfolio income return



# Standard Life Investments Property Income Trust Limited

## Investment Manager's Report (continued)

Share Price Performance -6 months	
STANDARD LIFE INVESTMENTS PROPERTY INCOME TRUST	22.2
PICTON PROPERTY INCOME	7.4
F&C COMMERCIAL PROPERTY TRUST	2.6
UK COMMERCIAL PROPERTY TRUST	2.1
SCHRODER REAL ESTATE INVESTMENT TRUST	-2.3
IRP PROPERTY INVESTMENTS	-4.4
ISIS PROPERTY TRUST	-6.8
SECTOR AVERAGE	3.0
FTSE ALL SHARE	3.3
FTSE EPRA/NAREIT UK	14.2

Share Price Performance -3 Years	Total	3 Year Annualised
F&C COMMERCIAL PROPERTY TRUST	38.5	11.5
STANDARD LIFE INVESTMENTS PROPERTY INCOME TRUST	36.0	10.8
PICTON PROPERTY INCOME	35.6	10.7
IRP PROPERTY INVESTMENTS	14.8	4.7
SCHRODER REAL ESTATE INVESTMENT TRUST	10.2	3.3
ISIS PROPERTY TRUST	7.0	2.3
UK COMMERCIAL PROPERTY TRUST	5.0	1.6
SECTOR AVERAGE	21.0	6.6
FTSE ALL SHARE	47.4	13.8
FTSE EPRA/NAREIT UK	51.4	14.8

Source: Datastream

### Investment Strategy

The Company remains focused on providing an attractive income return to investors, with prospects for both income and capital growth. As such, the active approach to working our assets and minimising voids continues, along with purchases of good quality buildings that meet tenants needs. The Board continues to plan for a covered dividend, however, the short term increase in costs following the refinancing (referred to later in this report) and the timing in reinvesting the proceeds of sales make it likely that full cover will not be achieved in 2012. The Company has revenue reserves of over 1 year's dividend.

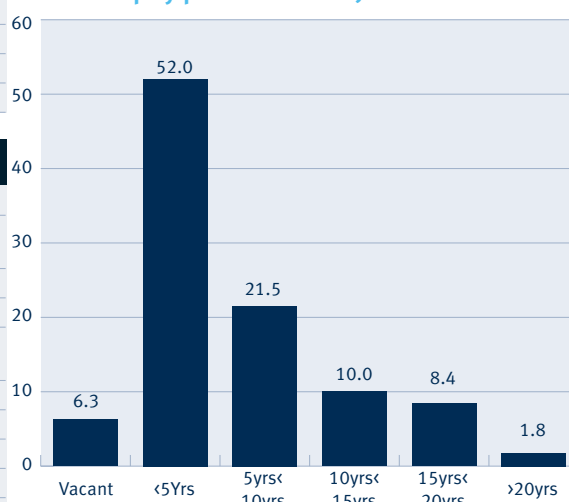
### Portfolio Valuation

The portfolio is valued by Jones Lang La Salle every quarter. As at the 30 June 2012 the property portfolio was valued at £172.4m with cash of £5.9m (excluding rent deposits). This compares to £162.1m and £17.8m of cash at the 31 December 2011. During the 6 months to

end June two properties were bought, for £8.4m and £4.0m respectively. One sale, for £1.0m was completed in January, as reported in the year end accounts.

### Portfolio Characteristics

#### Lease expiry profile as at 30 June 2012



Source: Standard Life Investments

### SLIPIT Sector Weights

IPD Sectors	Value	%
Retail	£39,550,000	22
Office	£83,025,000	47
Industrial	£46,075,000	26
Other	£3,750,000	2
Cash	£5,923,188	3
<b>Total</b>	<b>£178,323,188</b>	<b>100</b>

Source: Standard Life Investments

### SLIPIT Relative Sector Weights v IPD Monthly

IPD Sectors	Value	%	IPD%	Relative
Rest of UK Offices	£39,450,000	22.88	5.90	16.98
Rest of UK Industrial	£38,475,000	22.32	7.80	14.52
South East Offices	£27,725,000	16.08	10.10	5.98
South East Std Retail	£9,950,000	5.77	7.10	-1.33
Other	£3,750,000	2.18	5.00	-2.82
South East Industrial	£7,600,000	4.41	9.30	-4.89
Rest of UK Std Retail	£0	0.00	9.00	-9.00
Central London Offices	£15,850,000	9.19	14.80	-5.61
Shopping Centres	£0	0.00	6.70	-6.70
Retail Warehouses	£29,600,000	17.17	24.30	-7.13
<b>Total</b>	<b>£172,400,000</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>

Source: Standard Life Investments

# Standard Life Investments Property Income Trust Limited

## Investment Manager's Report (continued)

The Company invests in assets that it believes will provide an attractive income yield, reasonable capital growth, and that provide a diversified portfolio for risk management. We have deliberately taken an over weight position to markets and sectors that provide an attractive income return, in particular, offices outside Central London and industrial. Rest of UK offices are currently offering very attractive yields, and with careful stock picking are likely to see relatively good performance with tenant retention and some prospects for rental growth in the future. We particularly seek good quality buildings in good locations where supply is limited. We do not believe in buying secondary retail as we are concerned about its performance outlook, or very low yielding stock as the prospects for rental growth are not sufficiently attractive currently to grow the income to an acceptable level. We continue to believe that income will be the key component of total returns over the next three years, and will continue to focus on providing an attractive income return from our portfolio.

### Investment Activity

**Purchases:** The Company completed two purchases in the first half:

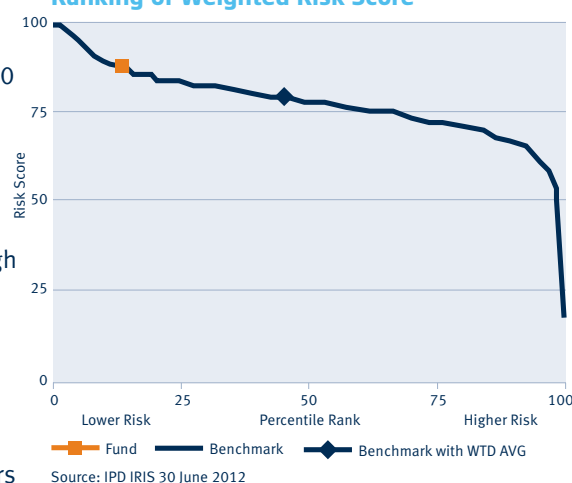
**St James House Cheltenham:** This multi let office in the centre of Cheltenham was bought in Q2 for £8.4m, reflecting an initial yield of 7.4% at purchase, rising to 9% by year end, and over 10% once the fourth floor is relet. The property was built in 1982 but has undergone major refurbishment in 2000 and again in 2010 including the provision of a new air conditioning system. The building is located close to the town centre giving easy access to shops and transport hubs. The building provides some of the best office accommodation in Cheltenham, and let through the downturn at an average rent of £12psf, giving scope for future growth. The property is let to 9 tenants, including Brewin Dolphin, Liberty Mutual, BPE Solicitors, Barnett Waddingham, Gloucestershire Media, Bank of Ireland and the Health and Safety Executive, with an average unexpired lease term of 8 years (6.3 years to lease break).

**140 West George St Glasgow:** The office investment was bought in Q2 for £4.0m, and the purchase price reflects a capital value of £170psf, and an income yield of 9.5%. The multi let office building extends to c23,000 sqft over 7 floors and was comprehensively refurbished in 2009 to a Grade A specification. The building is let to 6 tenants including Cyril Sweet, Anderson Fyfe LLP, Gerald Eve LLP, AWD Group plc and Central Insurance Services Ltd, with one vacant floor, the purchase price assumed 2 years rental cover on this space. The building is let off low rents of £17psf, with lease breaks / expiries in 2015 to 2020.

**Sales:** The Company completed the sale of a small multi office in Leeds for £1.0m in early Q1 as reported in the year end accounts.

**Asset management:** Over the first six months of 2012 the manager has continued to work with tenants to regear leases, and to let vacant space. It has completed the letting of a retail warehouse unit in Hull, several small industrial units in Aberdeen, and made good progress on letting the two largest voids in the fund. At the same time it has worked with tenants to understand their occupation needs, and has secured income of £1.1m which had been at risk through lease expiries or tenant breaks in 2012 and 81% (£0.8m) of income at risk in 2013.

### Ranking of Weighted Risk Score



# Standard Life Investments Property Income Trust Limited

## Investment Manager's Report (continued)

**Tenant default:** During the last 6 months the media has continued to portray an environment of business failure and restructuring through CVA's, however the Company's portfolio benefits from strong covenants, with a ranking of weighted risk score by IPD's IRIS report showing the portfolio on the 10.6th percentile rank (low risk), and the Company's top 10 tenants all have a Negligible or Low risk band weighting by IPD. (please see charts on previous page and below for risk score and table of top tenants).

**Vacancies:** During the reporting period vacancies within the portfolio were maintained below the IPD benchmark. As at 30 June the fund void level stood at 6.3%, but this includes vacant units in the two multi let properties bought in Q2, where the vendor provided two years of void cover (and one of the floors has already been let). The Company has instructed solicitors on the two largest voids in the portfolio, and remains committed to reducing void levels over the remainder of the year.

**Lease expiries / breaks:** All income at risk from a lease expiry or break in 2012 has been secured, as has 81% of income at risk in 2013.

The experience to date demonstrates that tenants are happy to stay in their existing accommodation where it is well suited to their needs, and we will continue to actively engage with our tenants with lease events over the next three years to secure future income.

### Bank Loan Facility

In January 2012 the Company entered into a new banking facility, as detailed in the annual report and accounts.

The Company has entered into three interest hedges to fix all of its debt to maturity. The first hedge, for £72.0m pre dated the new debt facility, and expires in December 2013. This swap had a fair value liability of £4.8m as at 30 June 2012, which will reduce to £0 (although not on a straight line basis) by maturity. The Company has two other swaps (one a forward swap of £72.0m from January 2014 and the other a swap of £12.4m from January 2012) expiring in December 2018. Although these were entered into in January 2012 at attractive levels, they showed a fair value liability of £2.0m in the accounts as at 30 June 2012.

## Income Concentration

### Top 10 Companies By Contracted Rent

Rank	Company Name	Contracted Rent	% of Total Income	Risk Band**	Wtd Expiry*
1	Tesco Stores Ltd	1,297,662	10.16	Negligible	Nov 2016
2	Hydrasun Ltd	1,000,000	7.83	Negligible	Dec 2030
3	Norcros Group (Holdings) Ltd	825,723	6.46	Negligible	Dec 2014
4	UB Group Ltd	816,000	6.39	Negligible	Mar 2016
5	Grant Thornton UK LLP	680,371	5.33	Negligible	Jun 2017
6	Yusen Logistics (UK) Ltd	512,544	4.01	Low	Jun 2017
7	DSG Retail Ltd	440,000	3.44	Negligible	Jun 2021
8	B & Q Plc	392,150	3.07	Negligible	Jun 2022
9	Interfleet Technology Ltd	390,000	3.05	Negligible	Jul 2019
10	Public Sector	361,500	2.83	Negligible	Jun 2014

\* Breaks are assumed to be executed if the lease is overrented and the break is at the option of the tenant or mutual

\*\* Source: IPD IRIS June 2012



# Standard Life Investments Property Income Trust Limited

## Investment Manager's Report (continued)



St James House, Cheltenham.



West George Street, Glasgow.

# Standard Life Investments Property Income Trust Limited

## Investment Manager's Report (continued)

### Property Investments as at 30 June 2012

Name	Town	Sub-sector	Market Value £
Hydrasun Aberdeen	Aberdeen	Offices - Rest of UK	14-16m
Tesco Wingates	Bolton	Industrial – Rest of UK	12-14m
Hollywood Green	London	Retail – South East	8-10m
Clough Road Retail Park	Hull	Retail Warehouses	8-10m
White Bear Yard	London	Offices - London West End	8-10m
St James's House	Cheltenham	Offices - Rest of UK	8-10m
Bourne House	Staines	Offices - South East	8-10m
Ocean Trade Centre	Aberdeen	Industrial - Rest of UK	8-10m
Monck Street	London	Offices – West End	6-8m
Explorer 1 & 2, Mitre Court	Crawley	Offices - South East	6-8m
Bathgate Retail Park	Bathgate	Retail Warehouses	6-8m
Dorset Street	Southampton	Offices - South East	6-8m
Drakes Way	Swindon	Industrial - Rest of UK	4-6m
Chancellors Place	Chelmsford	Offices - South East	4-6m
Croston's Retail Park	Bury	Retail Warehouses	4-6m
Marsh Way	Rainham	Industrial - South East	4-6m
Interfleet House	Derby	Offices - Rest of UK	4-6m
Eleven Business Park	Norwich	Retail Warehouses	4-6m
Farah Unit, Crittal Road	Witham	Industrial - South East	2-4m
Turin Court South	Manchester	Offices - Rest of UK	2-4m
140 West George Street	Glasgow	Offices - Rest of UK	2-4m
Windsor Court & Crown Farm	Mansfield	Industrial - Rest of UK	2-4m
Phase II, Telelink	Swansea	Offices - Rest of UK	2-4m
Virgin Active	Chislehurst	Leisure	2-4m
Coal Road	Leeds	Industrial - Rest of UK	2-4m
De Ville Court	Weybridge	Offices - South East	2-4m
31 / 32 Queen Square	Bristol	Offices - Rest of UK	2-4m
Easter Park	Bolton	Industrial - Rest of UK	2-4m
Halfords	Paisley	Retail Warehouses	2m
Wardley Industrial Estate	Manchester	Retail Warehouses	2m
Unit 14 Interlink Park	Bardon	Industrial - Rest of UK	2m
Portrack Lane	Stockton on Tees	Industrial - Rest of UK	2m
<b>Total property portfolio</b>			<b>172,400,000</b>



Interfleet House, Derby.



Phase II Telelink, Swansea.

# Standard Life Investments Property Income Trust Limited

## Unaudited Consolidated Statement of Comprehensive Income for the period ended 30 June 2012

	Notes	1 Jan 12 to 30 Jun 12 £	1 Jan 11 to 30 Jun 11 £
Rental income		6,625,144	6,889,256
Valuation loss from investment properties	4	(1,860,439)	(1,663,851)
Profit / (loss) on disposal of investment properties		21,865	(30,877)
Investment management fees	3	(657,861)	(653,902)
Other direct property operating expenses		(459,408)	(586,721)
Directors' fees and expenses		(67,592)	(60,927)
Valuer's fee		(13,649)	(15,792)
Auditor's fee		(19,500)	(17,500)
Other administration expenses		(130,435)	(92,304)
<b>Operating profit</b>		<b>3,438,125</b>	<b>3,767,382</b>
Finance income		18,905	15,076
Finance costs		(2,964,396)	(2,770,566)
<b>Profit for the period</b>		<b>492,634</b>	<b>1,011,892</b>
<b>Other comprehensive income</b>			
Valuation (loss) / gain on cash flow hedges		(760,634)	613,936
<b>Total comprehensive (loss) / income for the period, net of tax</b>		<b>(268,000)</b>	<b>1,625,828</b>
Earnings per share:			
Basic and diluted earnings per share		0.36 pence	0.88 pence
All items in the above Unaudited Consolidated Statement of Comprehensive Income derive from continuing operations.			
The notes on pages 19 to 25 are an integral part of these Consolidated Financial Statements.			



# Standard Life Investments Property Income Trust Limited

## Unaudited Consolidated Balance Sheet as at 30 June 2012

	Notes	30 Jun 2012 £	31 Dec 2011 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Freehold investment properties	4	149,187,830	137,181,065
Leasehold investment properties	4	19,406,594	20,031,594
Lease incentives		3,238,305	3,516,748
		171,832,729	160,729,407
Investment property held for sale	5	-	998,000
<b>Current assets</b>			
Trade and other receivables		2,097,543	1,642,602
Prepaid expenses		-	675,462
Cash and cash equivalents		5,923,188	17,825,381
		8,020,731	20,143,445
<b>Total assets</b>		<b>179,853,460</b>	<b>181,870,852</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Share capital		20,912,689	20,440,011
Retained earnings		5,576,088	6,349,453
Capital reserves		(39,971,818)	(37,372,610)
Other distributable reserves		97,838,372	97,838,372
<b>Total equity</b>		<b>84,355,331</b>	<b>87,255,226</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank borrowings	6	83,695,733	84,238,408
Interest rate swaps	7	4,018,667	3,007,460
Other liabilities		6,094	6,094
Rental deposits due to tenants		359,133	341,660
		88,079,627	87,593,622



# Standard Life Investments Property Income Trust Limited

## Unaudited Consolidated Balance Sheet as at 30 June 2012 Continued

	Notes	30 Jun 2012 £	31 Dec 2011 £
<b>Current liabilities</b>			
Trade and other payables		4,602,337	3,955,266
Interest rate swaps	7	2,815,665	3,066,238
Leasehold obligations		500	500
		7,418,502	7,022,004
<b>Total liabilities</b>		<b>95,498,129</b>	<b>94,615,626</b>
<b>Total equity and liabilities</b>		<b>179,853,460</b>	<b>181,870,852</b>
<b>Net Asset Value per share</b>		<b>61.4p</b>	<b>63.9p</b>
Approved by the Board of Directors on 30 August 2012			
Sally-Ann Farnon Director			
The notes on pages 19 to 25 are an integral part of these Unaudited Consolidated Financial Statements.			

# Standard Life Investments Property Income Trust Limited

## Unaudited Consolidated Statement of Changes in Equity for the period ended 30 June 2012

	Note	Share capital £	Retained earnings £	capital reserves £	Other distributable reserves £	Total equity £
<b>Opening balance 1 January 2012</b>		20,440,011	6,349,453	(37,372,610)	97,838,372	87,255,226
Profit for the period		-	492,634	-	-	492,634
Valuation loss on cash flow hedges		-	-	(760,634)	-	(760,634)
Total comprehensive income for the period		-	492,634	(760,634)	-	(268,000)
Dividends	8	-	(3,104,573)	-	-	(3,104,573)
Ordinary shares issued*		472,678	-	-	-	472,678
Valuation loss from investment properties	4	-	1,860,439	(1,860,439)	-	-
Profit on disposal of investment properties		-	(21,865)	21,865	-	-
<b>Balance at 30 June 2012</b>		<b>20,912,689</b>	<b>5,576,088</b>	<b>(39,971,818)</b>	<b>97,838,372</b>	<b>84,355,331</b>

\* this value represents both the nominal and the premium raised on issuing the ordinary shares.

The notes on pages 19 to 25 are an integral part of these Unaudited Consolidated Financial Statements.

# Standard Life Investments Property Income Trust Limited

## Unaudited Consolidated Statement of Changes in Equity for the period ended 30 June 2011

	Note	Share capital £	Retained earnings £	capital reserves £	Other distributable reserves £	Total equity £
<b>Opening balance 1 January 2011</b>		6,671,438	5,158,901	(36,638,104)	98,138,586	73,330,821
Profit for the period		-	1,011,892	-	-	1,011,892
Valuation gain on cash flow hedges		-	-	613,936	-	613,936
Total comprehensive income for the period		-	1,011,892	613,936	-	1,625,828
Dividends	8	-	(2,527,800)	-	-	(2,527,800)
Ordinary shares issued*		637,505	-	-	-	637,505
Valuation loss from investment properties	4	-	1,663,851	(1,663,851)	-	-
Loss on disposal of investment properties		-	30,877	(30,877)	-	-
Transfer between reserves**		-	271,232	-	(271,232)	-
<b>Balance at 30 June 2011</b>		<b>7,308,943</b>	<b>5,608,953</b>	<b>(37,718,896)</b>	<b>97,867,354</b>	<b>73,066,354</b>

\* this value represents both the nominal and the premium raised on issuing the ordinary shares.

\*\* this is a transfer to move redeemable preference share finance costs from the retained earnings reserve to the other distributable reserves.

# Standard Life Investments Property Income Trust Limited

## Unaudited Consolidated Cash Flow Statement for the period ended 30 June 2012

	Notes	1 Jan 12 to 30 Jun 12 £	1 Jan 11 to 30 Jun 11 £
<b>Cash generated from operating activities</b>	10	5,764,744	6,314,906
<b>Cash flows from investing activities</b>			
Finance income		18,905	15,076
Purchase of investment properties	4	(13,079,607)	(8,827,916)
Capital expenditure on investment properties	4	(162,596)	(725,298)
Proceeds from disposal of investment properties		1,019,865	2,107,234
Net cash used in investing activities		(12,203,433)	(7,430,904)
<b>Cash flows from financing activities</b>			
Ordinary shares issued net of issue costs		472,678	637,505
Bank borrowing arrangement costs	6	(112,159)	-
Repayment of bank borrowings	6	(84,432,692)	-
Drawdown of bank borrowings	6	84,432,692	-
Interest paid on bank borrowings		(1,126,928)	(772,617)
Payment on interest rate swaps		(1,592,522)	(1,581,127)
Dividends paid to the Company's shareholders	8	(3,104,573)	(2,527,800)
Net cash used in financing activities		(5,463,504)	(4,244,039)
<b>Net decrease in cash and cash equivalents in the period</b>		<b>(11,902,193)</b>	<b>(5,360,037)</b>
Cash and cash equivalents at beginning of period		17,825,381	21,170,716
<b>Cash and cash equivalents at end of period</b>		<b>5,923,188</b>	<b>15,810,679</b>
The notes on pages 19 to 25 are an integral part of these Unaudited Consolidated Financial Statements.			

# Standard Life Investments Property Income Trust Limited

## Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2012

### 1. General Information

Standard Life Investments Property Income Trust Limited ("the Company") and its subsidiary (together the "Group") carries on the business of property investment through a portfolio of freehold and leasehold investment properties located in the United Kingdom. The Company is a limited liability company incorporated and domiciled in Guernsey, Channel Islands. The Company has its primary listing on the London Stock Exchange with a secondary listing on the Channel Islands Stock Exchange.

The address of the registered office is Trafalgar Court, Les Banques, St Peter Port, Guernsey.

These Unaudited Consolidated Financial Statements were approved for issue by the Board of Directors on 30 August 2012.

The Audited Consolidated Financial Statements of the company for the year ended 31 December 2011 are available on request from the registered office.

### 2. Accounting Policies

#### Basis of preparation

The Unaudited Consolidated Financial Statements of the Group have been prepared in accordance with and comply with International Financial Reporting Standards as adopted by the European Union ("IFRS"), and all applicable requirements of The Companies (Guernsey) Law, 2008. The Unaudited Consolidated Financial Statements have been prepared under the historical cost convention as modified by the measurement of investment property and derivative financial instruments at fair value. The consolidated financial statements are presented in pound sterling and all values are not rounded except when otherwise indicated.

These statements do not contain all of the information required for full annual statements and should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the year ended 31 December 2011. The same accounting policies and

methods of computation are followed in these interim financial statements as compared with the Audited Consolidated Financial Statements prepared for the year ended 31 December 2011.

### 3. Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

#### Redeemable preference shares

On 19 December 2003 the Company issued 6,000,000 25p redeemable zero dividend preference shares for £6,000,000 to The Standard Life Assurance Company. On 10 July 2006 these shares were transferred to Standard Life Assurance Limited. These shares have had nominal value of £1,500,000 and were redeemable by the Company on the tenth anniversary of admission at a redemption price of £1.7908. These shares did not carry any voting rights. On 29 June 2011, an extraordinary general meeting was held which approved the conversion of the preference shares into ordinary shares in accordance with the terms of the Circular of Shareholders. On 21 July 2011, the redeemable preference shares were converted to ordinary shares.

#### Ordinary share capital

Standard Life Assurance Limited held 29,707,081 of the issued ordinary shares at the balance sheet date (31 December 2011: 29,707,081). This equates to 21.6% (31 December 2011: 21.8%) of the ordinary share capital in issue at the balance sheet date, however, Standard Life Assurance Limited is not considered to exercise control of the Group. Those parties related to the Investment Manager waived their rights to commission on the initial purchase of these shares in order to maintain the fairness of the transaction to all parties.

# Standard Life Investments Property Income Trust Limited

## Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2012

### Investment Manager

On 19 December 2003 Standard Life Investments (Corporate Funds) Limited ("the Investment Manager") was appointed as Investment Manager to manage the property assets of the Group.

Under the terms of the Investment Management Agreement the Investment Manager is entitled to receive a fee at the annual rate of 0.85% of the total assets, payable quarterly in arrears. On 1 July 2008 a supplemental agreement to the Investment Management Agreement was put in place to amend the fee basis to be 0.85% per annum of the total assets except where cash balances exceed 10% of total assets. The fee applicable to the amount of cash exceeding 10% of total assets is altered to be 0.20% per annum, payable quarterly in arrears. The Investment Manager has also agreed to reduce its charge to 0.75% of the total assets of the Group until such time as the net asset value per share returns to the launch level of 97p. This is applicable from the quarter ending 31 December 2008 onwards and does not affect the reduced fee of 0.20% on cash holdings above 10% of total assets. The total fees charged for the period ended 30 June 2012 amounted to £657,861 (period ended 30 June 2011: £653,902). The amount due and payable at the period end amounted to £328,526 excluding VAT (period ended 30 June 2011: £325,651 excluding VAT).

# Standard Life Investments Property Income Trust Limited

## Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2012

### 4. Investment Properties

	30 Jun 12 Freehold £	30 Jun 12 Leasehold £	30 Jun 12 Total £
Market value as at 31 December 2011	141,050,000	20,025,000	161,075,000
Purchase of investment property	13,079,607	-	13,079,607
Capital expenditure on investment properties	69,303	93,293	162,596
Valuation loss from investment properties	(1,142,146)	(718,293)	(1,860,439)
Movement in lease incentives receivable	(56,764)	-	(56,764)
Market value at 30 June 2012	153,000,000	19,400,000	172,400,000
Adjustment for lease incentives	(3,812,170)	-	(3,812,170)
Adjustment for finance lease obligations	-	6,594	6,594
Fair value at 30 June 2012	149,187,830	19,406,594	168,594,424
	31 Dec 11 Freehold £	31 Dec 11 Leasehold £	31 Dec 11 Total £
Market value as at 31 December 2010	123,490,000	31,475,000	154,965,000
Purchase of investment property	22,274,624	-	22,274,624
Capital expenditure on investment properties	741,331	6,513	747,844
Carrying value of disposed investment properties	(2,086,494)	(11,450,000)	(13,536,494)
Valuation loss from investment properties	(2,661,591)	(6,513)	(2,668,104)
Movement in lease incentives receivable	290,130	-	290,130
Investment property recategorised as held for sale	(998,000)	-	(998,000)
Market value at 31 December 2011	141,050,000	20,025,000	161,075,000
Adjustment for lease incentives	(3,868,935)	-	(3,868,935)
Adjustment for finance lease obligations	-	6,594	6,594
Fair value at 31 December 2011	137,181,065	20,031,594	157,212,659

Investment properties were revalued at the period end by Jones Lang LaSalle Limited, independent international real estate consultants, on the basis of the market value. In order to arrive at fair value the market values of leasehold investment properties have been adjusted to reflect the value of finance lease obligations. The market value provided by Jones Lang LaSalle Limited at the period end was £172,400,000 (31 December 2011: £162,100,000) however an adjustment has been made for lease incentives of £3,812,170 (31 December 2011: £3,868,935) that are already accounted for as an asset.

The valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (7th Edition).

# Standard Life Investments Property Income Trust Limited

## Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2012

### 5. Investment Property Held For Sale

No investment property was held for sale at 30 June 2012. As at 31 December 2011 the Group had exchanged contracts with a third party for the sale of Lister House, Horforth, Leeds, for a price of £1,025,000. The sale completed on 20 January 2012. The independently assessed market value of this property as at 31 December 2011 was £1,025,000. As at 31 December 2011 the carrying value of the investment property held for sale was £998,000 (net of transaction costs of £27,000).

### 6. Bank Borrowings

	30 Jun 12 £	31 Dec 11 £
Loan facility and drawn down outstanding balance	84,432,692	84,432,692
Opening carrying value	84,238,408	84,140,896
Arrangement costs of new facility	(787,621)	-
Amortisation of arrangement costs	244,946	97,512
Closing carrying value	83,695,733	84,238,408

On 20 January 2012 the Company completed the drawdown of £84,432,692 loan with The Royal Bank of Scotland plc ("RBS") and simultaneously repaid the old loan facility. The new facility is repayable on 16 December 2018. Interest is payable at a rate equal to the aggregate of 1 month Libor, a margin of 1.65% (below 40% LTV) or 1.75% (40% to 60% LTV inclusive) or 1.95% (above 60% LTV).

Under the terms of the loan facility there are certain events which would entitle RBS to terminate the loan facility and demand repayment of all sums due. Included in these events of default is the financial undertaking relating to the loan to value percentage. The loan agreement notes that the loan to value percentage is calculated as the loan amount less the amount of any sterling cash deposited within the security of RBS divided by the gross secured property value, and that this percentage should not exceed 65% for the first five years and then 60% from the five anniversary to maturity. The arrangement fees for the new facility are £675,462 and were paid to RBS on execution of the new loan facility agreement on 22 December 2011. Further arrangement fee costs of £112,159 have been incurred as at the balance sheet date.

	30 Jun 12 £	31 Dec 11 £
Loan amount	84,432,692	84,432,692
Cash deposited within the security of RBS	(5,571,237)	(16,932,057)
	78,861,455	67,500,635
Investment property valuation	172,400,000	162,100,000
Loan to value percentage	45.7%	41.6%
Loan to value percentage covenant	65.0%	65.0%
Loan to value percentage if all cash is deposited within the security of RBS	45.5%	41.1%



# Standard Life Investments Property Income Trust Limited

## Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2012

Other loan covenants that the Group is obliged to meet include the following:

- that the projected net rental income is not less than 150% of the projected finance costs for any three month period
- that the largest single asset accounts for less than 15% of the Group's total portfolio valuation
- that sector weightings are restricted to 55%, 45% and 45% for the Office, Retail and Industrial sectors respectively
- that the largest tenant accounts for less than 20% of the Group's total rental income
- that the five largest tenants account for less than 50% of the Group's total rental income
- that the ten largest tenants account for less than 75% of the Group's total rental income

During the period the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreement.

The loan facility is secured by fixed and floating charges over the assets of the Company and its wholly owned subsidiary, Standard Life Investments Property Holdings Limited.

### 7. Interest Rate Swaps

The Company has four interest rate swap agreements with RBS.

The first swap agreement was entered into on 29 December 2004 and has an end date of 29 December 2013. Under this first swap the Company has agreed to receive a floating interest rate linked to 3 month Libor and pay a fixed interest rate of 5.115%. The second swap agreement was entered into on 19 December 2008 and has an end date of 29 December 2013. Under this second swap the Company has agreed to pay a floating interest rate linked to 3 month Libor and receive a floating interest rate linked to 1 month Libor plus a margin of 0.1%. Both agreements are for a notional principal amount of £72,000,000.

The third swap agreement was entered into on 20 January 2012 for a notional amount of £12,432,692. This interest rate swap has a maturity of 16 December 2018. Under the swap the Company has agreed to receive a floating interest rate linked to 3 month Libor and pay a fixed interest rate of 1.77125%.

The fourth swap agreement was entered into on 20 January 2012 for a notional amount of £72,000,000. This interest rate swap effective date is 30 December 2013 and has a maturity date of 16 December 2018. Under the swap the Company has agreed to receive a floating interest rate linked to 3 month Libor and pay a fixed interest rate of 2.0515%.

These swap agreements together qualify as a fully effective cash flow hedge and fair value changes are shown in the other comprehensive income in the Consolidated Statement of Comprehensive Income. The £84,432,692 loan and the interest rate swaps have the same critical terms and so the hedge is fully effective.

# Standard Life Investments Property Income Trust Limited

## Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2012

	30 Jun 12 £	31 Dec 11 £
Opening fair value of interest rate swaps at 1 January	(6,073,698)	(7,394,652)
Valuation (loss) / gain on interest rate swaps	(760,634)	1,320,954
Closing fair value of interest rate swaps	(6,834,332)	(6,073,698)
Interest rate swaps due:		
Less than one year	(2,815,665)	(3,066,238)
Between one and five years	(4,018,667)	(3,007,460)
Closing fair value of interest rate swaps	(6,834,332)	(6,073,698)

### 8. Dividends

The interim dividends paid to date in 2012 are as follows (30 June 2011: £2,527,800):

£1,548,038	(1.133p per ordinary share) paid in February relating to the quarter ending 31 December 2011
£1,556,535	(1.133p per ordinary share) paid in May relating to the quarter ending 31 March 2012

£3,104,573

### 9. Reconciliation Of Consolidated Net Asset Value To Published Net Asset Value

The net asset value attributable to ordinary shares is published quarterly and is based on the most recent valuation of the investment properties and calculated on a basis which adjusts the underlying reported IFRS numbers. The adjustment made is to include a provision for payment of a dividend in respect of the quarter then ended.

	30 Jun 12 Number of Shares	31 Dec 11 Number of Shares
Number of ordinary shares at the reporting date	137,381,746	136,631,746
	30 Jun 12 £	31 Dec 11 £
Total equity per consolidated financial statements	84,355,331	87,255,226
Net asset value per share	61.4p	63.9p
Adjustments:		
Provision for dividend in respect of the quarter ending on the reporting date	(1,556,535)	(1,548,038)
Published adjusted net asset value	82,798,796	85,707,188
Published adjusted net asset value per share	60.3p	62.7p

# Standard Life Investments Property Income Trust Limited

## Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2012

### 10. Cash Generated From Operations

	1 Jan 12 to 30 Jun 12 £	1 Jan 11 to 30 Jun 11 £
Profit for the period	492,634	1,011,892
Movement in lease incentives	56,763	151,087
Movement in trade and other receivables	(233,262)	(286,918)
Movement in trade and other payables	664,544	988,627
Finance costs	2,964,396	2,770,566
Finance income	(18,905)	(15,076)
Valuation loss from investment properties	1,860,439	1,663,851
(Profit) / loss on disposal of investment properties	(21,865)	30,877
Cash generated from operations	5,764,744	6,314,906

### 11. Segmental Information

The board has considered the requirements of IFRS 8 'operating segments'. The board is of the view that the Group is engaged in a single segment of business, being property investment and in one geographical area, the United Kingdom.

### 12. Events After The Balance Sheet Date

#### Dividends and shares

On 24 August 2012 a dividend of £1,556,535 in respect of the quarter to 30 June 2012 was paid.

On 3 August 2012 the Company approved the allotment of 700,000 ordinary shares from the block listing facility to Winterflood Securities Limited at an issue price of 62.50p per share.

On 7 August 2012 the company approved the allotment of 300,000 ordinary shares from the block listing facility to Winterflood Securities Limited at an issue price of 63.00p per share.

# Standard Life Investments Property Income Trust Limited

## Information for Investors

Shareholders who hold their shares in certificated form can check their shareholding with the Registrars.

Notifications of changes of address and all enquiries regarding certificates or dividend cheques should be sent in writing to the Registrars.

### Share Information

The Company's shares are listed on the London Stock Exchange and the share price is quoted daily in the Financial Times.

Details of the Company may also be found on the Investment Manager's website which can be found at: [www.standardlifeinvestments.com/its](http://www.standardlifeinvestments.com/its), at Interactive Investor Investment Trust Service, website address: [www.iii.co.uk](http://www.iii.co.uk) and on TrustNet, website address: [www.trustnet.co.uk](http://www.trustnet.co.uk).

Ordinary shares may be purchased or sold directly through a stockbroker or through your bank, solicitor, accountant, or other professional adviser or through the Company's Registrars or the Company's Savings Plan and Individual Savings Account, details of which are shown at the back of this report.

The net asset value per ordinary share is calculated on a quarterly basis and is published on the London Stock Exchange where the latest live ordinary share price is also displayed, subject to a delay of 15 minutes. "SLI" is the code for the ordinary shares which may be accessed at [www.londonstockexchange.com](http://www.londonstockexchange.com).

### Other Information

The Company is a member of the Association of Investment Companies. The Association publishes a Monthly Information Service which contains a wide range of detailed information including statistical and performance data on all its members. A sample copy can be obtained free of charge from The AIC, 9th Floor, 24 Chiswell Street, London, EC1Y 4YY (telephone: 020 7282 5555) along with full details of other publications available from the Association. Alternatively, visit their website on [www.theaic.co.uk](http://www.theaic.co.uk).

For information on Standard Life Investments' range of Investment Trusts and Standard Life's views on the markets, please call 0845 60 60 062.

# Standard Life Investments Property Income Trust Limited

## How to Make Future Investments

### Introduction

Investors may subscribe to Standard Life Investments Property Income Trust Limited through Standard Life's Savings Scheme, Individual Savings Account ('ISA') or Individual Saving Account transfer ('ISA transfer'). Alternatively, investors may buy shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or financial adviser.

### Investment Trust Savings Scheme

Standard Life's Savings Scheme is a straightforward way to invest in the Standard Life Investments Property Income Trust Limited. The minimum investment through Standard Life's Savings Scheme is £100 per month or a £1,000 lump sum. There is no maximum amount that can be invested in the Company through Standard Life's Savings Scheme and there is no initial or annual management charge.

### Investment Trust ISA

Standard Life's stocks and shares ISA is a tax efficient savings vehicle as investors pay no additional income tax or capital gains tax on any money generated by their investments. Investors can invest in the Standard Life Investments Property Income Trust Limited through the Stocks and Shares ISA. Investors have the opportunity to invest up to £11,280 in the tax year 2012/2013. As with Standard Life's Savings Scheme, the minimum investment in Standard Life's ISA is a £1,000 lump sum or £100 per month. There is no initial or annual management charge. ISA attract tax relief's which the Government may change in the future. The value of these reliefs to each investor depends on their own personal circumstances.

### Investment Trust ISA Transfer

Investors may also gain access to the Company by transferring any existing ISA (including a former PEP 'Personal Equity Plan') investments to a Standard Life ISA. As with the Standard Life ISA. There is no initial or annual management charge.

### How to invest

For further information on how to invest and an application pack containing full details of the products and their charges, please call Standard Life Investments on 0845 60 24 247, Lines are open from 9am to 5pm Monday to Friday.

This is not a recommendation to buy, sell or hold shares in Standard Life Investments Property Income Trust Limited. Shareholders who are unsure of what action to take should contact a financial adviser authorised under the Financial Services and Markets Act 2000. Shares values may go down as well as up which may result in a shareholder receiving less than he/she originally invested.

# Standard Life Investments Property Income Trust Limited

## How to Make Future Investments (continued)

### Risk Warnings - General

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the market in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs may not be maintained.

# Standard Life Investments Property Income Trust Limited

## Directors and Company Information

### Directors

Paul David Orchard-Lisle CBE (Chairman)<sup>1</sup>  
Richard Arthur Barfield<sup>2</sup>  
Sally-Ann Farnon<sup>3</sup>  
Shelagh Yvonne Mason<sup>4</sup>  
David Christopher Moore

### Registered Office

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

### Registered Number

41352

### Administrator, Registrar & Secretary

Northern Trust International Administration  
Services (Guernsey) Limited  
Trafalgar Court  
Les Banques  
St. Peter Port  
Guernsey GY1 3QL

### Investment Manager

Standard Life Investments (Corporate Funds) Limited  
1 George Street  
Edinburgh EH2 2LL  
Telephone: 0845 60 60 062

### Independent Auditors

Ernst & Young LLP  
Royal Chambers  
St Julian's Avenue  
St Peter Port  
Guernsey  
GY1 4AF

### Solicitors

Dickson Minto W.S.  
16 Charlotte Square  
Edinburgh EH2 4DF

Mourant Ozannes  
PO Box 186  
1 Le Marchant Street  
St Peter Port  
Guernsey GY1 4HP

### Broker

Winterflood Securities Limited  
The Atrium Building  
Cannon Bridge  
25 Dowgate Hill  
London  
EC4R 2GA

### Principal Bankers

The Royal Bank Of Scotland Plc  
135 Bishopsgate  
London EC2M 3UR

### Property Valuers

Jones Lang Lasalle Limited  
22 Hanover Square  
London W1A 2BN

<sup>1</sup>Chairman of the Property Valuation Committee

<sup>2</sup>Chairman of the Nomination Committee and Remuneration Committee

<sup>3</sup>Chairman of the Audit Committee

<sup>4</sup>Chairman of the Management Engagement Committee

