

Press release



Invista Real Estate appointed by Clerical Medical in move into Continental European Property

21 March 2007

Invista Real Estate, the UK's largest real estate fund manager, has been appointed by Clerical Medical to establish a new pan-European property portfolio.

The vehicle will invest directly in commercial real estate in the main continental European markets focusing upon opportunities in all sectors which have a core income profile. Invista Real Estate has a well established track record and an experienced Continental European team with which to formulate and implement the strategy and manage the Fund, with investments already across seven countries in mainland Europe.

Commercial property investment in Continental Europe represents an attractive opportunity from both a return and diversification point of view given the following market context:

- Property rental growth is accelerating from a relatively low base in most cities and sectors, which offers opportunities to capture upside from both rental and capital appreciation;
- The Continental European property leasing markets move in different cycles and at different speeds, meaning that smart investors can stock-pick within regions, cities and sectors to maximise risk-adjusted returns and achieve important diversification benefits;
- Such diversification benefits suit a relatively low risk investment strategy such as that to be adopted by Clerical Medical as some markets are less closely correlated; and
- The intention is to create a balanced portfolio across the most transparent, the most liquid and the most established property investment markets.

Tony Smedley, Head of European Funds at Invista Real Estate says:

"This is an excellent initiative with which Clerical Medical can further extend the reach of their real estate investment activities and will be fully accretive to the existing business."

"We believe it is a good time to be investing in continental Europe and an opportunity to benefit from pricing differentials across the markets. We will be targeting stable, income-producing assets in the core markets where there continue to be opportunities to buy into growth cycles".

The Fund has a target investment size of <c£300m within 3-5 years.

Note: Invista Real Estate will also manage an indirect allocation to \$US denominated real estate funds on behalf of Clerical Medical.

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About Invista Real Estate Investment Management

Invista Real Estate Investment Management is the largest UK listed real estate fund management group. The Group manages both commercial and residential property across the UK and continental Europe, and has a total of £9.2 billion of assets under management as at the 31 December 2006. Invista Real Estate currently manages a total of 17 funds, some of which are for the largest UK providers of savings and investment products such as Clerical Medical, Halifax and St. James's Place. Invista Real Estate also manages a number of collective investor funds, including real estate investment trusts and open ended funds such as [Invista Foundation Property Trust](#) and [Invista European Real Estate Trust](#) which are listed on the main market of the London Stock Exchange as well as the fund of specialist funds, the Invista Property Portfolio Fund. Invista Real Estate has over 90 employees and in 2006 transacted over £3.5billion of real estate assets.

For more information on Invista Real Estate or the funds it manages visit www.invistarealestate.com.

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