

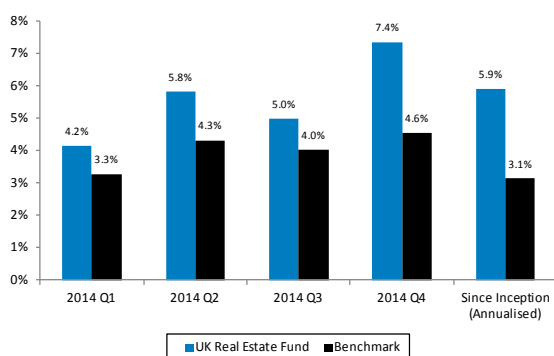
FUND STATISTICS AS AT 31/12/2014

| | | |
|-------------------------------------|--------|----------------|
| Fund GAV: | | £310.8 million |
| Fund NAV: | | £303.0 million |
| NAV per share: | 31 Oct | £3,851.33 |
| | 30 Nov | £3,952.82 |
| | 31 Dec | £4,068.49 |
| Distribution date: | | 22 Jan 15 |
| Distribution paid per share: | | £44.10 |
| Next distribution date: | | 22 Apr 15 |
| Cash balance (% of GAV): | | 1.5% |
| Gearing (% of GAV): | | 0.0% |
| Annual distribution yield: | | 5.4%* |

Source: FIL Limited. Fund statistics are based on accumulation share class.

* Annual distribution yield is calculated as the last 4 distributions paid divided by the net asset valuation of the distribution share class as at 31/12/2014.

TOTAL RETURN AS AT 31/12/2014



| | 3 Mths | 1 Yr | 3 Yrs* | 5 Yrs* |
|-----------|---------------|-------------|---------------|---------------|
| Fund | 7.4% | 24.2% | 8.6% | 8.6% |
| Benchmark | 4.6% | 17.2% | 8.6% | 8.8% |

Source: FIL Limited, IPD UK PFI.

Benchmark: The reference benchmark for this Fund is IPD UK PFI – All Balanced Property Fund Index. Total return for the Fund is calculated as the change in net asset value per unit plus distributions (net of expenses). Past performance is not a reliable indicator of future results. Fund inception data as at 30 June 2008. * Denotes annualised performance numbers.

All acquisition prices are quoted as the headline acquisition price.

CONTACTS

For further information on Fidelity's European real estate business, please contact:

Adrian Benedict
Investment Director,
Real Estate
+44 20 7961 4536
adrian.benedict@fil.com

Alison Puhar
Director,
UK Real Estate
+44 20 7961 4837
alison.puhar@fil.com

KEY QUARTERLY HIGHLIGHTS

- Q4 outperformance of 2.8%
- Annual distribution yield of 5.4%
- Two new properties added to the portfolio totalling £22.6m

FUND OBJECTIVE AND STRATEGY

The Fund's objective is to deliver an attractive and stable income return and generate capital appreciation through stock selection and active management. The Fund follows a core plus investment policy and aims to provide investors with a diversified portfolio of UK commercial real estate through direct property investments.

PERFORMANCE COMMENTARY

The Fund has continued to outperform its peers in the All Balanced Property Fund Index and was the top performing fund in 2014. Total return for the quarter was 7.4%, 2.8% above the average for the index. Total return for the year was 24.2%, 7.0% above the average for the reference index.

The Fund was well positioned to benefit from ongoing investor demand for good secondary assets which drove up valuations in 2014 Q4. In addition, its high industrial weighting, particularly in London, and the relatively low retail weighting helped improve its relative performance. An absence of London offices was a marginal detractor from relative total return. Performance was boosted by lettings and by the completion of lease restructurings with existing tenants. Over the quarter net asset value growth of 5.9% was complemented by an attractive income return of 1.5%.

The Fund's distribution yield remains higher than the reference benchmark average at 5.4%, 0.4% lower than last quarter reflecting increased asset values.

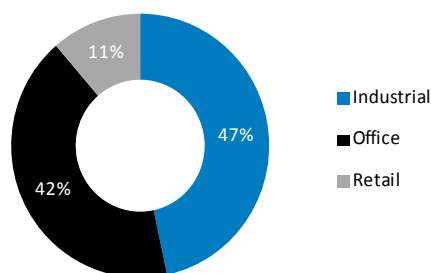
FUND ACTIVITY

Two more investments were added to the Fund over the quarter, taking the total to 32 assets. A sale and leaseback of a logistics hub, let to a leading European pallet freight distribution provider, completed in October at a price of £16.0m, reflecting a yield of 6.6% for a 20 year lease with RPI linked uplifts. The Fund also acquired a business park office investment for £6.6m, let on low rents for a further 8 years to a UK Government entity, providing an attractive yield of 7.9%.

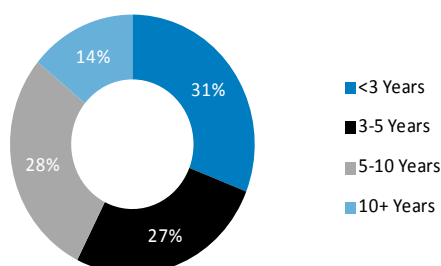
Lettings completed to Geopost in the Fund's office holding in Stoke-on-Trent, and to Matrix Machine Tools in one of the Fund's industrial schemes in Coventry, taking both assets to 100% let. Lease restructurings focused on balancing extending lease length and unlocking site value by agreeing an early lease expiry.

Following letting activity, the void rate reduced to 5.9% from 6.9%. This compares favourably to the IPD Monthly Index average void rate of 9.5%.

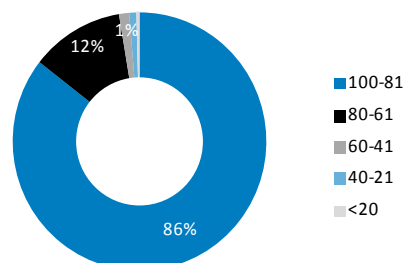
SECTOR WEIGHTINGS (by capital value)



LEASE EXPIRY (to earliest of break or expiry) (% of rent)



TENANT RATING (max=100)



PORTFOLIO STATISTICS AS AT 31/12/2014

| | |
|------------------------|--------------|
| Number of properties: | 32 |
| Average property size: | £9.5 million |
| Number of tenancies*: | 64 |
| Void rate: | 5.9% |
| AWULT to expiry: | 9.0 years |

Source: FIL Limited.
* Excludes units sold off long leasehold.

MARKET COMMENTARY

As we predicted back in January of last year (Real Estate Outlook – “2014 Will Be Another Bumper Year”), the main theme for 2014 was an increased appetite for risk amongst many real estate investors. The strong performance of UK real estate was driven by rising rental values in central London, renewed interest in regional UK markets and a sharp rise in demand for secondary assets.

According to the IPD UK Monthly Index the total return for All UK property in 4Q2014 was 4.4% with capital growth of 2.9% and a stable income return of 1.5%. At sector level, price increases were greatest in the office (up 4.3% q-on-q) and industrial sectors (also up 4.3% q-on-q). It was encouraging to see retail values rise by an average of 1.3% q-on-q and we would expect this trend to accelerate in 2015.

Turnover in the UK commercial property market increased by 25% q-on-q, to reach £21bn in the fourth quarter of the year (source: Propertydata, January 2015). While investment demand for prime assets remained focused on London the second half of the year saw an increasing number of foreign and domestic investors targeting higher yielding opportunities outside of the capital.

Looking forward, we expect another strong year for UK commercial real estate in 2015 with rental value growth becoming a key driver of performance.

TOP FIVE TENANTS

| Tenant Name | % of passing rent |
|-----------------------------------|-------------------|
| The Sage Group plc | 9.5% |
| Cintas Document Management UK Ltd | 8.5% |
| SportsDirect.com Retail Limited | 7.7% |
| NTL National Networks Ltd | 6.2% |
| Pall-Ex Holdings Ltd | 5.4% |

TOP FIVE PROPERTY HOLDINGS

| Asset Name | Sector | Lot Size |
|------------------------------|------------|----------|
| Martland Park, Wigan | Industrial | £20-25m |
| 200 Berkshire Place, Reading | Office | £20-25m |
| Victoria Way, London | Industrial | £20-25m |
| 3 City Place, Gatwick | Office | £15-20m |
| Palace Towers, Hamilton | Retail | £15-20m |

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