Syndicated Commercial Property Investment.

ROUGEMONT

The Marshalls Elland Syndicate

Landscape House, Premier Way, Lowfields Business Park, Elland, West Yorkshire, HX5 9HT

- 7.90% p.a. Annual Income Return, distributed quarterly in advance.
- The opportunity to acquire a prime headquarters office property.
- Existing 25 year lease, with 21 years unexpired, no lease break options and incorporating fixed rental increases.
- Blue Chip tenant – Marshalls Mono Limited (D&B 5A1)
- Target Annual Return of c.8.00% - 10.00% p.a. following proposed disposal after 5 years.

Marshalls
Creating Better Spaces

Rougemont Limited is authorised and regulated by the Financial Conduct Authority. Ref No. 516918

October 2016

Important Legal Notice

This document describes a commercial property investment that is funded partially with bank finance. An investment of this nature involves risk; it is illiquid in nature and may not be suitable for certain investors. Investors must be prepared to bear the risk of an investment in the property for an indefinite period, and be able to withstand the loss of all or part of their investment. All reasonable care has been taken to ensure the information contained within this document is true and accurate, but it should not be construed as advice upon which reliance should be placed. Please refer to the Risk Factors and the assumptions upon which the actual and targeted annual returns described in this document have been based.

The Marshalls Elland Syndicate - Key Points

The Property

Landscape House ("the Property") is located on Lowfields Business Park in Elland, west of Leeds, one of the most successful business parks on the M62 corridor. The Property is a modern 3 storey Grade A headquarters office building extending to 32,510 sqft (3,020.24 sqm), plus 182 external car parking spaces, on a secure self-contained site. The Property was built specifically for Marshalls Plc in 2003.

Tenancy

The Property is let on a full repairing and insuring lease to Marshalls Mono Limited (Company No: 509579) ("the Tenant") for a 25 year term from 12 November 2012. There are no lease break options. The current passing rent is £471,366 per annum (£14.50 per sq. ft.) and is subject to 2.50% per annum compounded increases, commensurate with every 5th year of the term. The rental will increase throughout the term as follows:

- 12 November 2017 £533,307 per annum (£16.40 per sq.ft.)
- 12 November 2022 £603,388 per annum (£18.56 per sq.ft.)
- 12 November 2027 £682,679 per annum (£21.00 per sq.ft.)
- 12 November 2032 £772,388 per annum (£23.75 per sq.ft.)

The vendor will 'top up' the passing rent to £533,307 p.a. until the 2017 rental increase. The difference in the passing rent and the 2017 rent will be held 'in escrow' on completion will be released and distributed pro-rata, on a quarterly in advance basis, along with the passing rent.

Tenant

The Tenant is the main trading subsidiary of Marshalls plc (www. marshalls.co.uk). The Tenant has a Dun & Bradstreet rating of 5A1, a credit limit of £14.4 million and the lowest possible rating for risk of failure.

Syndicate Return

The annual income return will be 7.90% distributed quarterly in advance.

Syndicate Price

£8,520,000 (Eight million, five hundred and twenty thousand pounds)

Minimum Investment

£25,000 (Twenty five thousand pounds)

Structure

The freehold legal title to the property will be held by Elian Fund Services (UK) Limited ("Elian") acting as Professional Independent Trustee. Elian will hold the Property on trust for the Syndicate members, as beneficial owners of the Property in proportion to their respective contributions to the Syndicate Price. All substantive management decisions will be taken by Syndicate members representing 75% by value of the Syndicate Price. The structure is suitable for Sophisticated and High Net Worth investors and has received approval from a number of major SIPP and SSAS Pension Trustee/Administrators. A Syndicate member may sell their holding at any time (see page 10 'Individual liquidity').

Proposed Exit Strategy

The fixed rental growth formula affords the Syndicate the opportunity to considering a sale of the Property prior to the rent review in November 2022. In addition, there are a number of potential options for the Syndicate which have been illustrated on page 9.

Funding

The property is being acquired with a combination of Syndicate funds and appropriately 'hedged' bank finance. The introduction of a modest element of bank finance enables the annual income return to be enhanced. In calculating the annual income return described in this document the financial terms of the bank funding are those that have been agreed, in principle, with a major bank (subject to formal credit approval). In the event that those terms materially change between now and completion, then the yield detailed in this document will also change and investors will be advised accordingly.

Location

The Property is located on Lowfields Business Park in Elland, West of Leeds on the M62 corridor. The property enjoys excellent accessibility with the nearby A629 Calderway providing rapid dual carriageway access to Junction 24 of the M62 motorway. Lowfields Business Park has traditionally been a distribution location due to its proximity to the M62. The business park has over 1.2 million sq ft of commercial property which is represented by 60% warehousing and 40% offices. Neighbouring occupiers include Bupa, Mitutoyo, O2, Waddington and Ledger, Hosokawa Micron, Decorative Panels, Britvic and Micheldever Tyre Services.

The Property

Landscape House is a prestigious modern 3 storey office building extending to 32,510 sq ft (3,020.24 sq m) plus 182 car parking spaces, on a secure self-contained site. The building has been designed in such a way to allow for flexible occupation offering the opportunity for it to be let floor by floor, or wing by wing.

The Tenant owns the land to the east of the Property, which affords them the opportunity to readily expand their current footprint. The Property was built specifically for Marshalls Plc in 2003 and is finished to a high specification which include;

- Suspended ceilings with integral motion detection lighting
- Double glazed powder coated aluminium windows throughout
- VRV comfort cooling / heating system
- Two 8 person passenger lifts
- Male and female toilets serving all floors
- Full access raised floors
- Ground floor canteen / restaurant facility
- 182 external car parking spaces providing an attractive ratio of 1:178 per sq. ft.
- Electronic single entry / exit security gates
- Attractive landscaped grounds
- External 500 KVA standby generator located in an external purpose built compound

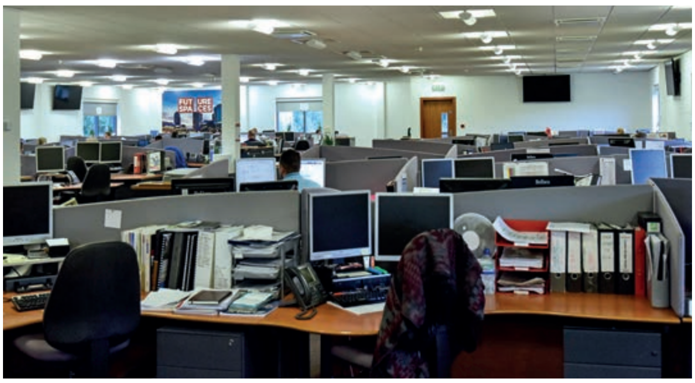
Environmental Consideration

To the north and rear of the Property is the Calder and Hebble Navigation canal and lock. To the south of the Property is the River Calder.

During November and December 2015, unprecedented levels of rainfall were experienced across large areas of the north of England. Rainfall levels in many areas were the highest ever recorded. Storm Eva occurred on the 24th December and was followed by a subsequent low pressure system on the 25th and 26th December, which brought even further rainfall. As a result, there was significant flooding in the River Calder Valley. Anecdotal evidence suggests that the River Calder burst its banks at many locations. One such location was at the Woodside Mills Lock 0.5 mile upstream of the Property. A significant volume of the river flow diverted via this breach into the Calder and Hebble Navigation system to the rear of the Property. These flows caused significant flooding and associated damage along the route of the canal but water did not breach the Property. It did, however, breach the western section of the Property's car park for a short period of time. In any event, the Property itself incurred no damage and continues to remain fully insured, with no flood claims and no policy exclusions.

Due to the Property's proximity to the river, the finished floor levels of the Property, which were built in 2003, were raised above predicted flood levels up to and including a 1 in 1,000 year flooding event occurring. A report commissioned by the Canals and River Trust concluded that whilst flooding of external areas, e.g. the west car park, could be expected to be affected in more frequent events, internal areas of Landscape House would be likely to remain free of flooding.

The Environment Agency considers the area to be a Zone 2 Flood Risk which represents land assessed as having between a 1 in 100 (1%) and 1 in 1,000 (0.1%) annual probability of flooding from rivers.



Tenancy

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Covenant

Marshalls plc (www.marshalls.co.uk) is a global leading manufacturer of landscape, driveway and stone products and has been supplying the construction, home improvement and landscape markets since the 1890s. The Group operates its own quarries and manufacturing sites in the UK and has a european facility in Belgium. Marshalls also owns and operates a large quarry within a short distance of the Property. The company employs over 2,100 people

The Tenant, has a Dun & Bradstreet rating of 5A1, a credit limit of £14.4 million and the lowest possible risk of failure of 100/100. A summary of the most recent accounts for the Tenant is detailed below:

	FYE 2015 £000	FYE 2014 £000
Turnover	369,147	340,696
Profit Before Tax	47,560	38,482
Net Worth	217,629	178,294

The ultimate parent company is Marshalls plc which is a UK listed plc. A summary of the most recent accounts for Marshalls plc is detailed below:

	FYE 2015 £000	FYE 2014 £000
Turnover	386,204	358,516
Profit Before Tax	35,278	22,421
Net Worth	192,718	181,894

Market Analysis

The September '2016 Savills World Search' provided a UK Regional Office Market Review, which presented the following market analysis and outlook forecast:

- Although the current political uncertainty will inevitably affect business decisions going forward, we believe there are certain sectors including accounting and professional, which are likely to grow.
- We do not expect vacancy rates to rise significantly, as the heightened risk-aversion amongst developers, funders and lenders will lead to a reduction in development and refurbishment commencements in 2018 and beyond.
- Proportionally, more is being invested in office markets outside London. The market outside London accounted for a 30% share as at the end of July 2016 (long-term average is 23%) as investors seek higher yields outside the capital.
- Key regional cities, such as Leeds and Birmingham, with improved amenity offerings, transport links and quality of buildings, have continued to outperform the UK average employment growth over the last five years and we expect this to continue as we go into 2017.

The occupational outlook forecast is:

- Lower levels of leasing activity and rises in lease extensions in 2016 and 2017 as businesses watch the Brexit process.
- Regional occupational take-up for the end year to reach 10.5m sq ft, 3% down on the level recorded in 2015, but 15% up on the long term average.
- Cost issues have been a major contributor to moves away from London over the past few years, with larger businesses looking to locate their middle and back office functions in more cost effect locations ('North-shoring'). We believe North-shoring will remain a theme over the medium term, as businesses seek to control costs in a more uncertain world.
- As London will not see significant rental decline, then the price differential story remains in terms of some companies moving away from London, including well-connected areas of Greater London and the outer M25 office market areas.
- 3.3m sq ft of space is due to complete in the regional markets over the next three years. Although this sounds like a significant amount of space, average Grade A take-up in the key regional cities is 1.5 million sq ft, resulting in just over two years of Grade A take-up being built.
- On top of this, 35% of the development pipeline is currently pre-let, leaving just over a years worth of Grade A supply in the pipeline.
- Manchester's pipeline up to 2018, for example, is 51% pre-let and Leeds is 40% pre let, which demonstrates strong demand as well as a tightening pipeline.

(Source: Savills World Research – Spotlight Regional Office Market Review & Outlook – September 2016)

Rental Analysis

The current passing rent of £471,366 per annum, reflects £14.50 per sq ft. The rent is reviewed every fifth anniversary of the term commencing 12th November 2012. The rent is subject to a fixed rent review mechanism that assumes an annually compounded increase rate of 2.50%. As the vendor is topping up the current passing rent to the new rent receivable on 12th November 2017 (£533,307 per annum), the effective rent per sq ft from completion of the purchase will be £16.40.

Out of town business park office rents have typically been a reflection of the cost of developing the property in the chosen location. Consequently rental rates have varied considerably, however the M62 corridor has become an established out of town office park destination with rents currently ranging from £10.00 per sq ft to £20.00 per sq ft.

In comparison to city centre office rents, out of town office rents have always traded at a reasonable discount. During the economic downturn of 2009, many out of town business parks struggled to find occupiers due to becoming too heavily developed and the demand from occupiers was insufficient to absorb the supply. Consequently, out of town office rents plunged to a discount level which resulted in the development of out of town offices, unless occupier led, being commercially unviable.

However, since 2014, the office occupier market has improved and due to the lack of speculative commercial development in general, many city centres have a significant lack of availability. Consequently, occupiers are returning to the out of town business parks, which have compelling economic and practical attractions in comparison to city centres.

The out of town business parks of Leeds and the western M62 corridor have seen a number of new lettings and lease renewals in the past year, which are detailed below:

Date	Location	Office Size (Sq Ft)	Tenant	Rent (Per Sq Ft)	Notes
September 2016	Derwent House, Leeds Valley Park, Leeds, M1/A1 Link	45,647	Lowell	£15.50	10 year lease, 5 year break option
July 2016	Capital House, Capital Park, Leeds, J28 M62	25,000	Hermes	£18.96	8 year reversionary lease
July 2016	Phoenix House, Capital Park, Leeds, J28 M62	37,059	NHS	£16.94	10 year reversionary lease
January 2016	Keepmoat, Doncaster	17,684	Keepmoat	£14.00	Sale & Leaseback, 15 year, 12 year break, RPI rent reviews
December 2015	Raynham House, Capital Park, Leeds J28 M62	12,700	Barratt Homes	£16.50	10 year lease 1st Flr
September 2015	Mariner Court, Calder Park, Wakefield	5,250	Mitsubishi Electrics	£12.50	10 year lease

Investment Analysis

With economic growth reaching 0.6% in the second quarter of 2016, the UK economy has out performed expectations. Investor sentiment remains strong in the regional investment market despite the effects of Brexit. However, caution is certainly present and many landlords have chosen to refinance rather than selling as, ultimately, the drive for income continues to prevail, certainly until such time as a more stable political climate is established. According to Cushman & Wakefield Property Research the property investment market has already factored in the risk associated with the UK's departure from the EU and this is reflected in them forecasting prime yields to move out 25bps to 5.25% by the end of the year.

Cushman & Wakefield has provided the following all sector market return forecast.

	2015	2016	2017
Rental Growth PA	4.20%	3.90%	2.40%
Total Returns PA	13.80%	10.10%	7.10%

According to Savills Research Department (September 2016), regional office investment reached £3.7bn, up 37% on the 10 year average as of July 2016. It is expected that regional investment volumes will weather the impact of Brexit far more comfortably than the London investment market.

The initial shock of the EU Referendum seems to have subsided and property investors are now looking more closely towards core assets with good covenants on long leases. This trend seems likely to continue for some time. In addition, overseas investors are becoming increasingly more important contributors to the regional property market and it seems inevitable that they will continue to look to take advantage of a weaker sterling.

Positive investment sentiment is continuing and, in contrast to 2009, there are a greater number of purchasers than sellers. Some opportunistic investors have been left disappointed by the lack of discounts being offered, with prime yields remaining around the 5.00% mark. The market therefore appears to be at a stage in the cycle where total future returns are likely to be fuelled more by income return and rising rental growth than capital growth.

The Property is being purchased off a Net Initial Sale Yield of 6.65%.

A number of comparable investment transactions have taken place in the last 6 months and are illustrated below showing the comparative purchase yields:

Location	Tenant	Area (sq ft)	Lease Length/ (Break Option)	Rent Review Mechanism (Index Linked or Open Market)	Net Initial Sale Yield (Date)
Keepmoat House, Lakeside, Doncaster	Keepmoat plc	17,684	15 years, (12 year break)	RPI linked rent reviews	Sale & Leaseback 6.70% (January 2016)
Ivanhoe Business Park, Ashby de la Zouch	Fisher Proctor	12,936	20 years, (15 year break)	OMV rent reviews	6.00% (January 2016)
Kier, Langston Road, Loughton	Kier Limited	17,128	15 years	RPI linked rent reviews	Sale & Leaseback 6.00% (April 2016)
Marriott House, Rushden	Kier Limited	19,167	15 years	RPI linked rent reviews	Sale & Leaseback 6.00% (June 2016)

Syndicate Return

The syndicate will receive an annual rental return of c. 7.90%, paid quarterly in advance as illustrated below:

Year	Nov 2017	Nov 2018	Nov 2019	Nov 2020	Nov 2021
Gross Rental Income	£533,307	£533,307	£533,307	£533,307	£533,307
Bank Funding Interest	£109,700	£109,700	£109,700	£109,700	£109,700
Custodian Charges	£0	£0	£0	£0	£0
Management Charges	£16,000	£16,000	£16,000	£16,000	£16,000
Net Rental Income	£407,607	£407,607	£407,607	£407,607	£407,607
Syndicate Return	**7.90%**	**7.90%**	**7.90%**	**7.90%**	**7.90%**

Potential Exit Strategy

The 21 year unexpired lease presents the Syndicate with a number of potential exit strategies. Ultimately, whichever option is decided upon will dependant upon prevailing market conditions at the time.

The following are some of the exit strategy options:

- A sale of the Property in 2022 with the benefit of the anticipated enhanced capital growth driven by the increase in rent.
- A renewal of the bank facility and continuing to hold the investment for a longer period of time. The increase in the annual rent in 2022 could potentially safeguard the syndicate against any possible material increase in interest rates. In 2022, the lease would still have a further unexpired 16 years, which would, comfortably, enable the syndicate to amortise down any borrowings to a lender.
- A sale to the Tenant. When the property investment opportunity was marketed it is understood that the Tenant expressed an interest in purchasing the property. The Tenant may therefore consider a purchase of the Property in the future. As mentioned above, the Tenant is the owner of the adjoining land and has also been established in this location for over 100 years.
- Alternatively, the syndicate may wish to consider negotiating a revision of the existing lease terms with the Tenant, thereby delivering an even longer period of income and creating an enhanced capital value prior to considering a sale.

If the syndicate were to consider selling the Property shortly before the next rent review in November 2022 (5 years' time) then, subject to prevailing market conditions, a sale at a yield of (say) 6.50%, would result in an Annual Total Return during the period of ownership of c.8.15%.

(Note: Annual Total Return = total rent received, plus capital growth, divided over the term of the investment).

The above Annual Total Return assumes that the property is sold off a new higher rent in 2022 (i.e. £603,388 per annum).

Potential Exit Yield analysis based on the above assumptions:

Exit Yield after 5 yrs	6.00%	6.25%	6.50%
Annual Total Return	10.50%	9.30%	8.15%

In order to trigger any exit strategy, or to obtain approval for any management decisions affecting the future of the syndicate's investment, Rougemont Estates, as Managing Trustee, would co-ordinate such a management decision, which would require a 75% majority vote by value.

Individual Liquidity

A Syndicate member can sell, or transfer, their holding to whomsoever they wish, as long as the acquiring party qualifies as being a suitable ‘Exempt Person’. (Please see”Investor Eligibility” section on page 15). A sale, or transfer, of a holding can occur at any point during a Syndicate member’s ownership and does not require the sale of the whole Property at that time.

As Managing Trustee, Rougemont is authorised to co-ordinate and assist in the sale of a Syndicate member’s holding by promoting it to its approved client base. An administration fee of £550 plus VAT (including all legal documentation) is payable for this service. Other than between other Syndicate members and Rougemont’s client base, there is no established secondary market for the sale of a holding in a property purchased under these arrangements and there can be no guarantee that a holding will sell. As with any property, values can vary at any given time and will depend on factors such as; economic conditions, tenant covenant strength and the length of lease remaining.

For further information regarding the above please see ‘Investor Eligibility’ and ‘How Syndicated Property Works’ on page 15.

Rental Distribution and Taxation

The property purchase will be undertaken by way of a transfer of a going concern (‘TOGC’) therefore no VAT will be payable on the purchase transaction; however, VAT is chargeable on the Tenant’s rent and therefore a new VAT registration for the Syndicate will be applied for. Harlow Property Management Limited (“HPM”) will be responsible for the registration of the Syndicate with HMR&C and for administering the Syndicate’s ongoing VAT returns.

Rental payments will be distributed exclusive of VAT and quarterley in advance. All VAT will be accounted for to HMR&C by HPM. Syndicate members are responsible for their own tax arrangements and a quarterly rental remittance advice, detailing each distribution, will be provided by HPM.

Syndicate Price

£8,520,000 (Eight million five hundred and twenty thousand pounds)

Rationale for the purchase

This opportunity delivers a headquarters office investment that is subject to an unexpired lease term of 21 years, has no tenant break options, incorporates fixed rental increases and has a tenant that has the highest Dun and Bradstreet credit rating of 5A1.

Despite the UK voting to leave the EU there has been no reduction in the appetite of both private UK investors and overseas funds in searching to gain exposure to the UK commercial property market. For overseas funds, in particular, there is an enhanced benefit of a weakened sterling and this situation could continue for some time.

It was recently well publicised that a number of main UK Retail Property Funds had a large number of investor redemption requests prior to the referendum vote. Following the vote many of those redemption requests were revoked as investors focused on continuing to generate income returns. The focus for many investors is firmly based on long term income, certainly until the UK has negotiated the exact terms of its exit from the EU. The demand for long term quality income investments therefore seems likely to prevail for some time.

Should the Syndicate decide to sell the Property before the expiry of proposed banking facility and before the November 2022 rent review, then this would provide a new purchaser with a further 16 years of unexpired lease term.

Risk Factors

Market Value

As with any investment class there is a risk that the values may decline or the target exit price may not be achieved. This may result in a reduced Annual Return when the Property is sold. The Property represents an attractive, secure income that is rare in today's property investment market. The addition of a fixed upwards only rent review mechanism provides certainty of rental growth and potential capital growth in the medium term.

Bank Funding

The nature of bank funding adds an element of additional risk to any purchase; however, the Syndicate is employing the following strategy to mitigate that risk. Firstly, the Bank Funding will be non-recourse and in the event that the bank needs to enforce its security it will be limited to the assets of the Syndicate and the bank will not have recourse to any other personal assets of Syndicate members. Secondly, the element of funding will be limited to a modest c. 45% loan to value. Thirdly, the Syndicate will fix the cost of the facility for the life of its 5 year term via a suitable simple embedded hedging instrument, thereby ensuring certainty of the funding cost. Fourthly, should the syndicate chose not to seek a sale of the property prior to the 2022 rent review, or should a sale not be attained, then the length of the lease and strength of the Tenant's covenant will assist in being able to either refinance or amortise down the facility from income.

Flood Risk

Whilst the Property was unaffected by the extreme weather conditions in December 2015 and has been built to withstand a 1 in 1000 risk of flooding, there is inherent natural risk. The Syndicate will be responsible for insuring the Property and the Tenant is legally responsible for paying the insurance premium. For as long as the Tenant remain solvent for the next 21 years then the risk of this impacting on the Syndicate is minimal.

EU Referendum

Uncertainty surrounding the impact of the UKs decision to leave the EU remains unclear; however, the Tenant dominates the domestic market for stone products and its position seems secure as the UK continues to address a UK wide housing shortage.

Funding

The acquisition will be funded by Syndicate members' funds and 5 year fixed term 'hedged' bank funding. In calculating the Syndicate Return the cost of the bank funding has been based on indicative terms already proposed by a major bank (subject to formal credit approval). The terms represent a total fixed annual funding cost of c.3.25% per annum (incorporating the interest rate hedge facility).

Further discussions are continuing with a number of actively interested funders and it is hoped that these indicative terms will be improved upon; however, swap rates may harden and in the event that there is a material adverse change in the overall cost of money then the return to investors will proportionately alter. In such circumstances Syndicate members will be informed accordingly.

The Syndicate will pay the vendor a fixed, net purchase price on completion (the 'Net Purchase Price') of £7,545,000

Syndicate Funding (including all costs and fees) will be £5,145,000

Bank Funding will be £3,375,000

Bank Funding Terms

Borrower	The Marshalls Elland Syndicate
Loan Term	5 years
Margin	2.30% over LIBOR
Interest Hedge	c.0.70%
Arrangement Fee	1.00% of Loan amount
Repayments	Quarterly, interest only
Security	First and only charge on the property, rents mandated to lender bank. The Bank Funding will be non-recourse and will be limited to the assets of the Syndicate only and not to the personal assets of any Syndicate member
Covenants	Maximum loan to value and minimum interest cover to be agreed

The Bank Funding will also be subject to the Borrower's compliance with a range of agreed conditions precedent, which will include; appropriate due diligence, a minimum passing rent equivalent to the commencing rent, satisfactory bank valuation and such other matters and documentation as the bank may reasonably require.

Full details of the finance terms agreed will be issued to investors within the purchase pack.

Valuation

The Property was independently valued, for bank finance purposes, by JLL Leeds office in October 2016 at £7,545,000, representing a current loan to value of 45%. The bank will reserve the right to have the property independently valued every 2 years, the cost of which will be met by the Syndicate.

In any event, it is the intention to have the existing current valuation updated annually. The cost of this annual valuation, estimated at £500 plus VAT, will be deducted from the annual rent.

Funding Risks and Terms and Conditions

Bank funding involves risk. Typically, the Bank will be entitled to require the funding to be repaid in certain circumstances that are defined as an event of default. In the event of a default, the Bank will be entitled to enforce its security, which may include a sale of the Property.

In the event of such enforcement, the Syndicate will only have the right to any residual proceeds after the Bank Funding has been repaid and all other amounts payable under the Bank Funding agreement, and any associated agreements, had been discharged, and all other creditors have been met. In this event there is a risk that Syndicate members will not recover all of their investment in the Syndicate. Should the Syndicate still owns the Property following the expiry of the term of the Bank Funding, then the Syndicate will need to refinance its debt. Where such a refinance was not possible, or was only possible on less attractive terms, then this may result in the overall return being lower than anticipated, or may result in a loss to Syndicate members.

Syndicate Structure

The freehold legal title to the property will be held by Elian Fund Services (UK) Limited acting as Professional Independent Trustee. Syndicate members will purchase a percentage holding within the Trust and will become the beneficial owners. All substantive management decisions of the Syndicate will be taken by a majority representing 75% by value of the Syndicate Price. The structure is suitable for Sophisticated and High Net Worth investors and has also received approval from a number of major SIPP and SSAS Pension Trustee/Administrators.

Individual Liquidity

A Syndicate member may sell, or transfer, their holding to whomsoever they wish, as long as the acquiring party qualifies as being a suitable 'Exempt Person', see Investor Eligibility on page 15. A sale, or transfer, of a holding can occur at any time during a Syndicate member's ownership and does not require a sale of the whole property at that time.

As Managing Trustee, Rougemont is authorised to co-ordinate and assist in the sale of a Syndicate holding by promoting it to its approved client base. An administration fee of £550 plus VAT (including all legal documentation) is payable for this service.
Other than between other Syndicate members and Rougemont's client base, there is no established secondary market for the sale of a holding in a property purchased under these arrangements and there can be no guarantee that a holding will sell. As with any property, values can vary at any given time and will depend on factors such as; economic conditions, tenant covenant strength and the length of lease remaining. For further information regarding the above please see 'Investor Eligibility' and 'How Syndicated Property Works' on page 15.

Availability

The property is available for syndication with a minimum investment of £25,000. Interested parties are therefore invited to review the Important Legal Notice on page 2 and to make a formal reservation by completing the Reservation Form on page 17. On receipt of a Reservation Form Rougemont will issue a purchase pack for completion.

The Professional Team

Managing Trustee & Syndicate Operator – Rougemont Estates ('Rougemont')

Rougemont is a niche property investment company which is authorised and regulated by the Financial Conduct Authority to promote and operate Non-Mainstream Pooled Investments, including syndicated commercial property investments. Rougemont is an Exempt CAD firm and has the permitted exception to transmit orders with Non-MIFID Independent Financial Advisors. In the case of this purchase Rougemont will act as the regulated operator and Managing Trustee.

Further information can be found at www.rougemontestates.co.uk

Professional Trustee – Elian Fund Services (UK) Limited

Elian Fund Services (UK) Limited is an FCA regulated independent fiduciary company. The company is specifically regulated to hold in trust the assets of its private clients. In the case of this purchase Elian Fund Services (UK) Limited London office will independently hold the legal title to the Property in trust for the benefit of the Syndicate members.

Further information can be found at www.elian.com

Syndicate Solicitor – Gosschalks Solicitors, Hull

Gosschalks is a leading full-service law firm operating from purpose-built offices in Kingston upon Hull. Gosschalks client base stretches to all corners of the UK and includes a diverse range of business types from individuals to large PLCs.

Further information can be found at www.gosschalks.co.uk

Property Management – Harlow Property Management ('HPM')

HPM is a company under common ownership with Rougemont and is regulated by the Royal Institute of Chartered Surveyors. HPM will undertake the day to day property management and administration for the Syndicate including, collection and distribution of rent and VAT reporting.

Syndicate Fees

The following costs and fees have been used in calculating the annual Syndicate Return.

Property Transactional Fees:

Property transaction costs associated with the acquisition of the Property including, but not limited to, Stamp Duty, Legal & Professional fees, acquiring Agent's Fee, VAT registration and Survey fees. The costs represent c. 6.00% of the Syndicate Price.

Managing Trustee & Operator Fee:

Rougemont's fee is based on 4.25% of the Syndicate Price and is payable on completion. No further Managing Trustee & Operator fees will be due payable during the life of the Syndicate, unless agreed in advance with the Syndicate.

Professional Trustee Fee:

Elian Fund Services (UK) Limited Professional Trustee Fee of £10,000 for the Initial Period (i.e. £2,000 p.a.), which will be from completion until 12th November 2022.

Property Management Fee:

HPM's property management fees, representing 3% of the annual rent or the Initial Period, which will be from completion until 12th November 2022. ('Initial Period' - see page 15, number 6, 'How Syndicated Property Works').

How Syndicated Property Works

A syndicated commercial property investment is one where a number of private individuals, corporate entities, or pension funds collectively pool their capital to acquire a specific tenanted commercial property. Syndicate members own a percentage of the beneficial interest in either the property or the corporate vehicle owning the property pro-rata to the amount of their investment. In return members receive their share of the rental income and future capital growth.

Rougemont's operating structure has received approval from a number of major SIPP and SSAS Pension Trustee/Administrators; however, investors should contact their own pension fund advisors to ascertain whether such an investment is permissible within the rules of their own pension fund.

FCA authorised Independent Financial Advisors should be aware that Rougemont is an Exempt CAD firm to which MIFID applies, except that it can receive and transmit orders in relation to one or more financial instruments, or in relation to investment advice. Accordingly, Rougemont is permitted to transmit orders with Non-MIFID Independent Financial Advisors and Professional bodies.

As with any investment, syndicated property of this type carries the risk that the investment may fail to increase in value or may depreciate. Rental returns may not materialise. Your attention is drawn to the Important Legal Notice in this document and the need to take independent legal and investment advice.

In summary the arrangements are as follows:

1. Properties are normally office, retail or factory premises let to a tenant with a good covenant strength on a long term lease.
2. An Independent Professional Trustee will hold the legal freehold/leasehold title to the property as Trustee. Syndicate members become beneficial owners of the property, as tenants in common, in direct proportion to their investment.
3. Syndicate members are entitled to receive their pro-rata rental income from the property together with their share of the capital receipt upon a sale of the Property.
4. A full legal pack containing a detailed Structure Note, a Syndicate Contract, Trust Deed and a Property Administration Agreement will be provided once a potential Syndicate member has made a formal reservation by completing the form at the back of this document. Any other relevant material will be available upon request. Potential Syndicate members must then arrange to receive advice from other independent advisors as necessary.
5. Acquisition of the property will take place only when sufficient Syndicate members have provided monies to fund the acquisition. Should insufficient funds be received the acquisition will not progress and any funds received will be returned immediately to Syndicate members.
6. An 'Initial Period' is set by Rougemont at the outset and in this instance the Initial Period will run from the Completion Date until 12th November 2022.
7. Rougemont is the appointed Managing Trustee and will co-ordinate the purchase and handle routine decisions in relation to the property. The Syndicate members will retain control of major decisions such as, providing consent to assign leases or deciding to carry out structural alterations to the property. These decisions will be taken by a majority representing 75% (by value) of the Syndicate Price. Syndicate members will also employ a management company, Harlow Property Management Limited, to carry out services such as collection and distribution of rent and the provision of caretaking duties. However, if the Syndicate members collectively decide to instruct Harlow Property Management Limited to provide any non-core services then additional remuneration will be payable in respect of such services. Prior to the expiry of the Initial Period Harlow Property Management Limited will provide a quote for a continuation of its services.
8. An individual Syndicate member may sell their stake at any time. The Syndicate members may decide by a majority to sell the property at any time. However, an individual Syndicate member cannot force a sale of the whole of the property until the expiry of the Initial Period and must have attempted to sell their individual stake before making such a request. However, if a Syndicate member, being a pension fund, has beneficiaries who die during the Initial Period forcing the pension fund to be liquidated then the trustees of the pension fund have the right to force a sale of the property within 24 months of the death of the member in the event that the member's interest in the property remained unsold.

Investor Eligibility

All syndicated commercial property investment opportunities promoted by Rougemont constitute an Unregulated Collective Investment Scheme ("UCIS") as defined in the Financial Services and Markets Act 2000 ("FSMA"). Rougemont is authorised by the UK Financial Conduct Authority ("FCA") to establish, operate and wind up UCIS (Reg. No. 516918). In receiving this document you acknowledge and accept the following disclaimer:

This document contains important information. It is being sent to you as a category of person falling within The Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 ("the Order"). The sole purpose of this document is to assist the recipient in deciding whether they wish to proceed with further investigation. Recipients should review this document having first considered the Key Points (page 2) of the arrangements and the Important Legal Notice (page 2 and 16). The description of the arrangements contained within this document constitutes a summary of the arrangements. A detailed description of the syndicated structure is provided to potential Syndicate members with the legal purchasers pack which will be provided should a potential Syndicate member wish to proceed.

'Exempt Persons' falling within the Order include:

- 'Investment Professionals', who are Authorised FCA Persons and who are defined, according to the Financial Services and Markets Act 2000, as having professional experience of participating in a UCIS for the purpose of their business.
- 'Certified Sophisticated Investors' who are defined as investors who are self-certified, or who have been certified by an FCA Authorised Person as being sufficiently knowledgeable to understand the risks associated with participating in a UCIS and who have signed a requisite Certified Sophisticated Investor Declaration in accordance with COBS 4.12 of the FCA Handbook.
- 'Certified High Net Worth Individuals', who are defined as investors who have self-certified in accordance with COBS 4.12 of the FCA Handbook or who have been certified by an FCA Authorised Person confirming that during the financial year immediately preceding the date on which the certificate was signed, held an annual income of not less than £100,000, or net assets of not less than £250,000, excluding their primary residence and benefits from life policies.
- A 'High Net Worth Company', which is defined as a corporate entity with called-up share capital or net assets of either (a) in the case of a company with more than 20 members, or which is a subsidiary of a company with more than 20 members, not less than £500,000 or, (b) in the case of any other body corporate, not less than £5 million.

Confirmation of prospective clients' investor status must be received by Rougemont in advance of any information or promotional material in respect of an investment opportunity being provided.

Important Legal Notice

1. Syndicated investment opportunities that are promoted by Rougemont qualify as Unregulated Collective Investment Schemes and may only be promoted to; Investment Professionals, Certified High Net Worth Individuals/Companies and Certified Sophisticated Investors as detailed in COB 4.12 of the FCA Handbook ("Exempt Persons"). The protections normally afforded by the FSMA and compensation entitlements under the UK Financial Services Compensation Scheme may not apply.

2. No contract is formed by the provision of this material or any subsequent oral or written communication between Rougemont and an 'Exempt Person'. A contract is only formed on the completion of a valid Syndicate Contract in a form approved by Rougemont and executed by both parties. The Syndicate Contract forms the entire agreement between the parties unless the Syndicate Contract is expressly varied by the parties.

3. Commentary and other materials provided to you in any manner are not intended to amount to advice on which reliance should be placed. Rougemont therefore disclaims all liability and responsibility arising from any reliance placed on such materials or by anyone who may be informed of any of its contents. Rougemont does not provide or hold itself out as permitted to provide specific investment advice. Potential syndicate members should consult with an FCA regulated Independent Financial Advisor (authorised to provide such advice under the FSMA) as to the suitability of any investment opportunity promoted by Rougemont and the risks associated with it. You are also advised to take independent legal advice.

4. Rougemont has taken all reasonable care to ensure that the information provided in any material supplied to you, or in any written or oral communication with you, is true and accurate. However, all information is capable of independent verification and we advise you to seek such verification. Copies of any documents referred to or source material are available for inspection at Rougemont's Offices. While all reasonable care has been taken no liability or responsibility is accepted for any errors and omissions within this prospectus.

5. To maximise returns, Syndicate members may need to hold their investments on a long-term basis. As a consequence the arrangement is not suitable for short-term investment.

6. Other than between other Syndicate members and Rougemont's approved client base there is no established secondary market for the sale of a holding in any properties purchased under the arrangements and therefore there can be no guarantee that you will be able to readily dispose of your holding, or sell it at a particular price.

7. Property values may fall as well as rise and purchasers should be aware that property values are a matter of the valuer's opinion and are subject to market forces. There can be no guarantee as to future performance. Tenants may default, thus leaving a void in rental income, rates and service charge payments may need to be covered by Syndicate members until such default is remedied or the property is sold/re-let. There may also be costs incurred in dealing with any default, re-letting, improvement or repair works or irrecoverable costs relating to the damage or destruction of the property which the Syndicate members will be responsible for.

8. Syndicate members should appreciate that the value of property is dependent upon a range of factors many of which are outside the control of Syndicate members; these include but are not limited to, fluctuations in land prices, construction costs, interest rates, changes in taxation, changes in supply and demand, and environmental factors. The financial strength and standing of a tenant can change at any time.

9. You are only entitled to use any promotional materials provided by Rougemont for your own use. Such materials are expressly not intended for distribution to any other party. Reproduction of the whole or any part of any materials provided is strictly prohibited.

Complaints

1. Should you wish to make a formal complaint concerning the services provided by Rougemont then please contact, in the first instance, Rougemont Limited at; The Elms, Oakwood Park, Bishop Thornton, Harrogate, HG3 3JN tel. 01423 877 910 and a copy of the company's Complaints Handling Procedure will be issued to you immediately.

2. Once a complaint has been made to us we will acknowledge receipt within 14 days and seek to resolve the issue. Rougemont Limited is regulated by the FCA and in certain circumstances you may be eligible to refer complaints to the Financial Ombudsman Service.

ROUGEMONT

The Elms, Oakwood Park, Bishop Thornton, Harrogate, HG3 3JN
T: +44 (0)1423 877 910 | Email: info@rougemontestates.co.uk
www.rougemontestates.co.uk

The Marshalls Elland Syndicate Reservation Form

I confirm I have read and understand the Important Legal Notice on page 16. I would like to acquire a syndicate holding within The Marshalls Elland Syndicate and would like to be issued with the purchase pack.

Please reserve a holding in the above syndicate for:
(NB. Minimum holding £25,000)

£

Investor Details:

I confirm I wish to make this purchase in the name of:

(Full Name in Block Capitals)

Following the completion of the syndicate I wish all future correspondence and rental remittances to be sent for the attention of:

At the following address:

Postcode:

Financial Advisers Details:

Please provide details of your financial adviser (the 'adviser') where applicable. If this is not applicable please tick this box ☐ and then proceed to signing the Declaration.

Name of Adviser Contact:

Name of Adviser Firm:

Adviser Firm's FCS reference number:

Address of Adviser Firm:

Postcode:

Email of Adviser:

Telephone:

The Marshalls Elland Syndicate Reservation Form

Financial Adviser's Details continued:

By signing this Reservation Form, I instruct you to pay the adviser, whose details have been provided, the fees (if any) indicated below.

Single Advice fee (including any VAT chargeable by the adviser) payable following completion of the purchase, for advice related to this investment.

(Amount £ or "nil")

Annual Advice fee (including any VAT chargeable by the adviser) payable quarterly in arrears following completion. The Annual Advice fee is to be deducted from my/our rental payments and paid to the adviser for undertaking annual reviews of my/our investment in the Syndicate.

(Amount £ or "nil")

I hereby instruct Rougemont to deduct the Single Advice Fee and/or the Annual Advice Fee from my/our rental payments and to remit the sums to my/our adviser.

I confirm that I have read and understand the terms and conditions attached to this promotion. I have considered the risk involved in proceeding with this investment and have sought all the recommended advice required. I confirm that I qualify as an Exempt Person (as defined within 'Investor Eligibility' on page 15). I would like to be issued with the purchase pack.

Signature

Date

/ /

Name (BLOCK CAPITALS)

ROUGEMONT ESTATES

Please return this form to:

Rougemont Limited, The Elms, Oakwood Park, Bishop Thornton, Harrogate, HG3 3JN.
Tel: 01423 877910, Email: info@rougemontestates.co.uk
Email: jcraven@rougemontestates.co.uk or nsmillie@rougemontestates.co.uk