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If you have sold or transferred all of your registered holding of Ordinary Shares, please forward this Circular and the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or other agent through or by whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred part only of your registered holding of Ordinary Shares, please contact the Company.

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ALPHA REAL TRUST LIMITED

(a closed-ended investment company incorporated in Guernsey and registered with number 44786)

PROPOSED CREATION AND ISSUE OF NEW CLASS A SHARES and

AMENDMENTS TO THE ARTICLES OF INCORPORATION

and

NOTICE OF EXTRAORDINARY GENERAL MEETING

This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of Alpha Real Trust Limited set out on pages 2 to 7 of this document in which the Board unanimously recommends that you approve the proposals described herein by voting in favour of the Resolution at the Extraordinary General Meeting.

Notice of an Extraordinary General Meeting of Alpha Real Trust Limited, to be held at the offices of Morgan Sharpe Administration Limited, Old Bank Chambers, La Grande Rue, St Martin's, Guernsey GY4 6RT on 30 November 2012 from 10.30 a.m., is set out at the end of this Circular. A Form of Proxy for use at the Extraordinary General Meeting is enclosed.

To be valid, the Form of Proxy should be completed, signed and returned, in accordance with the instructions printed thereon, to the Company's registrar, Morgan Sharpe Administration Limited, at Old Bank Chambers, La Grande Rue, St Martin's, Guernsey GY4 6RT or be returned by fax to +44 (0)1481 233319 as soon as possible but, in any event, so as to arrive no later than 48 hours before the time of the Extraordinary General Meeting. The completion and return of a Form of Proxy will not preclude you from attending and voting at the Extraordinary General Meeting in person should you wish to do so.

Shareholders should not construe the contents of this Circular as legal, accounting, tax or financial advice and should consult with their own advisers as to the matters described in this Circular.

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PART I
LETTER FROM THE CHAIRMAN

ALPHA REAL TRUST LIMITED

(a closed-ended investment company incorporated in Guernsey and registered with number 44786)

Directors:

David Jeffreys (Chairman)
Jeff Chowdhry
Phillip Rose
Roddy Sage
Serena Tremlett

Registered office:

Old Bank Chambers,
La Grande Rue,
St Martin's,
Guernsey GY4 6RT

2 November 2012

Dear Shareholder,

Proposed amendments to Company's Articles to create a new class of shares

1. Introduction

The purpose of this letter is to explain a proposal (the "**Proposal**") to create a new class of convertible class A ordinary shares of no par value in the capital of Alpha Real Trust Limited to be issued to Property Investment Portfolio PLC ("**PIP**") as consideration for the acquisition from PIP of the Acquisition Portfolio. PIP is an open-ended fund of funds incorporated in the Isle of Man.

The Company has appointed Alpha Real Capital as its investment manager with responsibility for, amongst other things, the management of the Company's property portfolio. PIP has appointed Alpha Real Property as its investment manager. Alpha Real Capital and Alpha Real Property are members of the same group of companies. However, the board of directors of each of the Company and PIP are entirely independent of each other.

2. The Proposal

Acquisition from PIP

As announced by the Company on 19 October 2012, your Board is pleased to confirm that the Company has agreed terms with PIP to acquire PIP's entire interests in the following sub-fund entities:

- (a) The Freehold Income Trust;
- (b) Active Commercial Estates plc;
- (c) European Property Investment Portfolio plc;
- (d) Business Centre Properties Limited;
- (e) Healthcare & Leisure Property Limited;
- (f) Alpha UK Multi Property Trust plc; and
- (g) Romulus High Income Trust.

(together the "**Acquisition Portfolio**").

The Company already has investments in The Freehold Income Trust and Alpha UK Multi Property Trust plc and so the acquisition will increase the Company's holdings in those sub-funds. The Company will also acquire PIP's book debts and certain excess cash not anticipated by PIP to be required for discharging its liabilities and paying costs in connection with the Acquisition and PIP's subsequent winding-up.

The Board believes that the Acquisition is in line with the Company's investment policy of targeting investment and development opportunities in real estate, real estate operating companies and securities, real estate services and other real estate related businesses.

As consideration for the Acquisition, the Company proposes to issue shares of a new class to PIP, namely the Class A Shares. The number of Class A Shares to be issued to PIP as consideration for the Acquisition is to be calculated on the basis of the ART Adjusted NAV and the PIP Sale NAV.

Currently, there are no limitations under the Memorandum or Articles on the powers of the Directors to issue shares in the Company. However, under the Companies (Guernsey) Law, 2008 (as amended), where a company has more than one class of shares, the Directors may not exercise any power of the Company to issue shares unless they are authorised to do so by the Memorandum or Articles or by resolution of the Company. In order to allow for the issue of the Class A Shares and further issues of Ordinary Shares in the future, it is therefore proposed that a new Article 4C.A is included so that the Directors are generally and unconditionally authorised to allot and issue, grant rights to subscribe for, or to convert securities into, up to an unlimited number of shares of each class in the Company, which authority will expire 5 years after the date on which new Article 4C.A is adopted (unless previously renewed, revoked or varied by ordinary resolution of the Company in general meeting).

Given that the rights attaching to the new Class A Shares are defined by reference to the rights attaching to the existing class of Ordinary Shares in issue, it is proposed that the Articles are amended to include a new Article 4B which clarifies the rights currently attaching to the Ordinary Shares.

Following the Acquisition, PIP intends to distribute the Class A Shares in kind to its shareholders via two dividends *in specie* ("**Dividend In Specie**") with the effect that, following such distributions, PIP's shareholders will become shareholders in the Company. Following these distributions, PIP intends to enter into members' voluntary liquidation.

The Acquisition is conditional upon the consent of the shareholders of PIP. PIP has holders of founder shares (which carry voting rights) and holders of participating shares (which do not carry voting rights). Whilst the board of directors of PIP has been advised that it is not required to seek the consent of the participating shareholders in order to approve the Acquisition, it has decided that it will only proceed with the Acquisition if it has obtained their approval. Therefore the Acquisition is conditional upon the consent of PIP's participating shareholders ("**PIP Participating Shareholder Consents**"). If approval from the participating shareholders is obtained, completion of the Acquisition will remain conditional upon, amongst other things, the passing of the PIP Founder Shareholder Consents. Class meetings of those shareholders have been convened for 14 November 2012 and 20 November 2012, respectively, to consider and, if thought fit, approve the Acquisition and other related proposals.

The Company has entered into an acquisition agreement with PIP, covering the terms of the Acquisition ("**Acquisition Agreement**"). Pursuant to the Acquisition Agreement, the Company has agreed to acquire the entire Acquisition Portfolio, together with excess cash in PIP's bank accounts and those debts owed to PIP as at Completion. As consideration for the Acquisition, the Company expects to issue 23,914,323 Class A Shares to PIP, subject to Leakage. The number of Class A Shares to be issued has been calculated on the basis of the ART Adjusted NAV and the PIP Sale NAV. Class A Shares are deemed to have the same value and NAV per share as Ordinary Shares for this purpose.

Completion of the Acquisition Agreement is conditional upon, amongst other things, the passing of the Resolution, the PIP Participating Shareholder Consents and the PIP Founder Shareholder Consents. Completion is expected to take place as soon as practicable following the date of the EGM. PIP has undertaken that, until completion (or lapse) of the Acquisition Agreement, it will not dispose of any asset, create any encumbrance over the Acquisition Portfolio or waive any debts without the consent of the

Company. The Acquisition Agreement will lapse if completion does not occur by 31 December 2012 (or such later date as may be agreed between PIP and the Company).

The Acquisition Agreement contains warranties from PIP in relation to its title to the Acquisition Portfolio and capacity to enter into the agreement.

Takeover Code

The Company is subject to the Code. Rule 9 of the Code stipulates that if (a) a person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or (b) a person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of the voting rights in which he is interested; such person will normally be required by the Panel to make a general offer to shareholders of that company to acquire the balance of the equity share capital of that company not held by such person or group of persons acting in concert with him. An offer under Rule 9 must be in cash and at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares in the company during the twelve months prior to the announcement of the offer.

Immediately following completion of the Acquisition, PIP will hold 23,914,323 Class A Shares, representing approximately 32.4 per cent. of the issued voting share capital of the Company. This would ordinarily give rise to an obligation on PIP to make a general offer to all shareholders of the Company to acquire their shares pursuant to Rule 9 of the Code. However, PIP will only hold more than 30 per cent. of the voting rights of the Company momentarily, until it has made the first Dividend In Specie of such Class A Shares to its shareholders ("**Initial Dividend in Specie**"). This will take place immediately upon PIP being issued those Class A Shares by the Company because the Company is not obliged, pursuant to the Acquisition Agreement, to issue those Class A Shares unless PIP has declared the first Dividend In Specie upon completion of the Acquisition. Accordingly, the Panel has agreed to waive PIP's requirement to make an offer under Rule 9 of the Code on the basis that it will cease to hold 30 per cent. or more of the issued share capital of the Company immediately following its acquisition of the Class A Shares by virtue of the Initial Dividend in Specie.

Alpha Real Capital currently controls approximately 44.4 per cent. of the issued share capital of the Company and, together with persons deemed to be acting in concert with it ("**ARC Concert Parties**"), controls approximately 53.8 per cent. of the issued share capital of the Company. Because of the increase in share capital, Alpha Real Capital will, following completion of the Acquisition and the Initial Dividend in Specie, hold approximately 30.0 per cent. of the aggregate voting rights of the Company and the ARC Concert Parties will hold approximately 6.4 per cent. of voting rights. Consequently, Rule 9 of the Code will apply to any further increase in voting rights by Alpha Real Capital or the ARC Concert Parties following completion of the Proposal (except to the extent that a further waiver is obtained from the Panel).

Rationale for the Creation and Issue of new Class A Shares

There is a degree of uncertainty regarding the valuation of two of PIP's assets, namely its investments in Active Commercial Estates plc ("**ACE**") and Romulus High Income Trust ("**RHIT**").

ACE owns a portfolio of 22 secondary commercial properties across the UK. The value of this portfolio continues to fall as a result of deteriorating market conditions for UK secondary commercial property and a reduction in its rental income. The portfolio was independently valued at 30 June 2012 at £54.08 million against a secured loan of £53.82 million. As a result ACE's loan-to-value at 30 June 2012 was 98.5 per cent., in breach of a covenant in ACE's facility agreement with the Bank of Scotland to maintain its loan-to-value covenant at not more than 95 per cent.

Therefore, while PIP itself currently values its investment in ACE at around £0.8 million, your Board believes that there is a significant risk that, given ACE's high level of indebtedness, ACE may not be able to

obtain continued funding from the Bank of Scotland (or an alternative lender) beyond the expiry of its loan facility in November 2012. This could result in ACE losing control of its assets, leading to a total loss of its investors' equity. Accordingly, your Board considers that PIP's investment in ACE ought to be valued at nil for the purposes of the Acquisition with the effect that no value is ascribed to PIP's investment in ACE for the purpose of calculating the number of Class A Shares to be issued to PIP as consideration for the Acquisition.

RHIT has invested in 4 business centres (serviced offices) in Coventry, Clitheroe, Leeds and Mortlake in London. The value of PIP's investment in RHIT was written down to nil following a fall in the value of its properties in July 2010 to below the level of its bank debt. This position remained unchanged at 31 July 2012 (RHIT's financial year end) where the value of the properties was £7.01m against debt of £7.26m. The term of the loan expired on 31 August 2012 and, while negotiations continue with the secured lender, Bank of Ireland, it is unlikely that the bank will provide medium term funding. A sale of the properties is therefore anticipated, which would likely result in no recovery of value of equity in the investment. Accordingly, your Board considers that PIP's investment in RHIT ought to be valued at nil for the purposes of the Acquisition, with the effect that no value is ascribed to the investment in RHIT for the purpose of calculating the number of Class A Shares to be issued to PIP as consideration for the Acquisition.

In return for agreeing to the nil valuations of PIP's investment in ACE and RHIT for the purpose of the Acquisition, PIP and the Company have agreed that only PIP (or, following its liquidation, its shareholders) should be entitled to participate in any net proceeds that may subsequently be derived by the Company from ACE and RHIT. The Class A Shares have been created as a separate class of shares in order to achieve this purpose.

The Class A Shares will have the same rights and rank equally with the existing Ordinary Shares in the Company, save that, until such time as they are converted into Ordinary Shares, the Class A Shares will confer on their holders the exclusive right to share in any net proceeds derived by the Company from its investments in ACE and RHIT acquired from PIP.

No application will be made for the Class A Shares to be admitted to trading on the SFM or any other market, and it is not proposed that Class A Shares will be issued in uncertificated form and therefore capable of being transferred by means of CREST. While there will be no specific additional transfer restrictions applying to the Class A Shares, there is therefore likely to be no or very limited liquidity in the Class A Shares.

It is acknowledged that, following the Dividends In Specie of the Class A Shares by PIP to its shareholders, certain of those shareholders may prefer to hold shares which are admitted to trading on a regulated market and so the Class A Shares will carry a right to be converted into Ordinary Shares in the Company, which will then be admitted to trading on the SFM. Any shares which convert into Ordinary Shares will forego their exclusive rights to share in any net proceeds of the Company's investments in ACE and RHIT acquired from PIP as part of the Acquisition. No conversion will be permitted by a holder prior to the date falling 60 days after the relevant Class A Shares were issued.

Following the Acquisition, the enlarged issued share capital of the Company is expected to consist of 55,532,813 Ordinary Shares and 23,914,323 Class A Shares. The number of Class A Shares to be issued on completion of the Acquisition is subject to an adjustment in the case of Leakage in accordance with the terms of the Acquisition Agreement.

Further details of the rights attaching to the Class A Shares are contained in Part II.

Shareholder Approvals Required

The Proposal will require certain changes to be made to the Company's Articles, principally to set out the rights (as summarised above and set out in full in Part II of this Circular) which will attach to the new Class A Shares. The Proposal will therefore require approval of the Company by a special resolution which will involve the convening of an extraordinary general meeting of the Company.

A notice convening an extraordinary general meeting of the Company for the purposes of considering the Resolution to be held at 10.30 a.m. on 30 November 2012 at the offices of Morgan Sharpe Administration Limited, Old Bank Chambers, La Grande Rue, St Martin's, Guernsey GY4 6RT, is set out at the end of this Circular.

3. Risks associated with the Proposal

Material risk factors associated with the Proposal and which are known to the Company are set out below. Shareholders should carefully consider all such risk factors (although there may be others which are of equal or greater magnitude which are not known to the Company or which the Company deems to be immaterial and which, accordingly, are not set out in this Circular or which may be applicable to certain Shareholders or types of Shareholders and of which the Company is unaware). Further, as the market conditions change or develop over time, these matters may be subject to risk factors not currently contemplated. However, your Board considers the following to be key risk factors relating to the Proposal as they might affect the existing shareholders of the Company as at the date of this Circular:

- *Pre-emption rights* - Under the laws of Guernsey, to which the Company is subject, there are no rules restricting the ability of the Board to issue additional shares on a non pre-emptive basis at any time; nor do the Articles contain any such restrictions. Class A Shares will not be issued nor converted on a pre-emptive basis. As a result, existing shareholdings will be diluted by the issue of Class A Shares to PIP as consideration for the Acquisition, and the NAV per share may decline as described below.
- *Decline in the NAV per share* - The number of Class A Shares to be issued to PIP as consideration for the Acquisition is to be calculated on the basis of the ART Adjusted NAV and the PIP Sale NAV. There is no guarantee that these respective NAVs have remained constant since that date, nor that they will remain constant until completion of the Acquisition. Should the PIP Sale NAV decrease during these periods the overall NAV per share may decline.
- *Valuations* - Investments in property are relatively illiquid and more difficult to value than equities or bonds. The number of Class A Shares to be issued to PIP is calculated on the basis of the ART Adjusted NAV and the PIP Sale NAV. Should the NAVs used in such calculations prove to be inaccurate, the NAV per share may not be capable of realisation and/or future published NAV per share may decrease.
- *Decrease in market value of the Ordinary Shares* - Market value of the Ordinary Shares and the income from them may go down as well as up. An application will be made by the Company for the Ordinary Shares arising as a result of conversion from Class A Shares to be admitted to trading on the SFM. As a result, there will be an increase in the number of Ordinary Shares admitted to trading on the SFM. The SFM is a relatively new market of the LSE and liquidity levels are relatively unknown; however, an increase in the number of shares admitted to trading may result in a decrease in their market value.
- *Concentration of investments* - The Company makes a relatively limited number of investments and these may involve a high degree of risk. In acquiring the Acquisition Portfolio, the Company has increased its shareholdings in The Freehold Income Trust and Alpha UK Multi Property Trust plc. Poor performance in relation to any of the Company's investments – including these two - could lead to adverse effects on the returns received by the Company.
- *Takeover Code* - Alpha Real Capital, together with the ARC Concert Parties, currently controls 53.8 per cent of the total issued voting share capital of the Company and is therefore interested in more than 50 per cent of the voting rights in the Company. Any further increase in the aggregate interest in shares of Alpha Real Capital or the ARC Concert Parties will not require such parties to make a general offer for all the remaining issued shares. Following the Initial Dividend in Specie, any further increase in voting rights by Alpha Real Capital or the ARC Concert Parties is likely to be subject to Rule 9 of the Code (or require a separate Panel waiver) on the basis that their voting rights are expected in aggregate to have fallen below 50 per cent. but to remain in excess of 30 per cent.
- *Limited Warranties on Acquisition* - The Acquisition Agreement does not contain any warranties from PIP in respect of the Acquisition Portfolio other than title and capacity warranties.

- *Adjustment to Number of Shares Issued* - The number of Class A Shares to be issued on completion of the Acquisition is subject to an adjustment in the event of Leakage in accordance with the terms of the Acquisition Agreement. Should such an adjustment lead to an increase in the number of Class A Shares being issued, existing shareholdings may be further diluted.

4. Extraordinary General Meeting

A notice convening the EGM, which is to be held at the offices of Morgan Sharpe Administration Limited, Old Bank Chambers, La Grande Rue, St Martin's, Guernsey GY4 6RT on 30 November 2012 from 10.30 a.m., is set out at the end of this Circular. The amendment of the Articles to include the rights attaching to the new Class A Shares is conditional upon the Resolution being passed at the EGM. In order to become effective, the Resolution will require the affirmative approval of not less than three-quarters of the voting rights cast at the EGM, whether voted by Shareholders in person or by proxy.

5. Action to be taken

No Class A Shares are proposed to be issued to existing shareholders of the Company. Existing shareholders of the Company are being asked to vote in favour of proposed changes to the Articles in order to allow Class A Shares to be created and issued to PIP with the rights described in this Circular.

You will find enclosed with this document a form of proxy for use at the EGM. Whether or not you propose to attend the EGM in person, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company's registrar, Morgan Sharpe Administration Limited, at Old Bank Chambers, La Grande Rue, St Martin's, Guernsey GY4 6RT or be returned by fax to +44 (0)1481 233319 as soon as possible but, in any event, so as to arrive no later than 10.30 a.m. on 28 November 2012.

The completion and return of a form of proxy will not preclude you from attending the EGM and voting in person if you wish to do so.

6. Recommendation

Your Directors (excluding Phillip Rose) consider, having consulted with Panmure Gordon, that the terms of the Transaction are fair and reasonable insofar as its Shareholders are concerned. Phillip Rose is deemed to be a related party due to his relationship with ARC, and as such he has not participated in the Board's consideration of the Transaction.

Your Board considers that the Proposal and the Acquisition are in the best interests of the Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the EGM.

Yours faithfully,

David Jeffreys
Chairman

PART II

THE CLASS A SHARES

The rights attached to the Class A Shares and the Ordinary Shares will, if the Proposal is approved at EGM, be contained in the Company's Articles and are set out in full below.

The following new defined terms are proposed to be added in the appropriate alphabetical order to Article 1.1 of the Articles:

Compulsory Conversion Notice	has the meaning given in Article 4.7A.
Class A Shares	has the meaning given in Article 4.1A.
Conversion Date	the Initial Conversion Date and each Subsequent Conversion Date.
Conversion Notice	has the meaning given in Article 4.6.1A.
Conversion Right	has the meaning given in Article 4.5A.
Initial Conversion Date	the date falling sixty (60) days after the date on which Class A Shares are first issued.
Ordinary Shares	has the meaning given in Article 4.1B.
Relevant Investments	the Company's shareholdings in Active Commercial Estates PLC and Romulus High Income Trust acquired from Property Investment Portfolio PLC on or about the date of the latest amendment to these Articles
Relevant Proceeds	has the meaning given in Article 4.2A.
Subsequent Conversion Date	the 25 th day of each calendar month commencing after the Initial Conversion Date (or if such day is not a Business Day, the next following Business Day).

The following are proposed to be added as a new Articles 4A to 4C of the Articles:

4A CLASS A SHARES

- 4.1A The Company may issue convertible ordinary shares of no par value in the capital of the Company ("Class A Shares") with the sanction of the Board.
- 4.2A Class A Shares shall be issued fully paid or credited as fully paid and shall carry the same rights as Ordinary Shares as set out in Article 4B, save that Class A Shares shall, in addition and to the exclusion of any other class of shares in the Company, carry the right to participate in any proceeds, income, profits, capital and/or distributions whatsoever attributable to the Relevant Investments ("Relevant Proceeds"). For avoidance of doubt, until such time as all the Class A Shares are converted into Ordinary Shares in accordance with Article 4.5A, no other class of shares in the Company shall carry the right to participate in or otherwise be entitled to any Relevant Proceeds.
- 4.3A All Relevant Proceeds shall, to the maximum extent legally permissible, be distributed to the holders of Class A Shares as soon as practicable after the date of their receipt by the Company. For the avoidance of doubt, no Relevant Proceeds shall be retained or reinvested by the Company.
- 4.4A Unless the Directors determine otherwise, no application will be made to admit the Class A Shares to trading on the Specialist Fund Market operated by the London Stock Exchange or any other market or exchange on which other shares in the Company shall from time to time be traded.
- 4.5A Each Class A Share shall entitle the holder to convert such share into one fully paid Ordinary Share in the Company, in accordance with Article 4.6A ("Conversion Right"). An Ordinary Share arising on conversion of a Class A Share shall cease to participate in the Relevant Proceeds, and shall be

credited as fully paid and rank *pari passu* in all respects with the Ordinary Shares in issue on the Conversion Date.

4.6A The Conversion Right in respect of a Class A Share may be exercised, at the option of the holder thereof, on any Conversion Date (subject to any applicable laws or regulations and as hereinafter provided) as follows:

4.6.1A Each holder of a Class A Share shall have the right to serve a conversion notice (“**Conversion Notice**”) in any form approved by the Directors from time to time on the Company not less than 7 Business Days prior to a Conversion Date to convert any or all of such holder’s Class A Shares into fully paid Ordinary Shares on such Conversion Date.

4.6.2A The service of a Conversion Notice shall be irrevocable.

4.6.3A Following receipt of a Conversion Notice in respect of Class A Shares, the Company shall convert such Class A Shares into fully paid Ordinary Shares, on the relevant Conversion Date, without any further action being required to be taken by the holder. Where applicable, the Company shall procure that any Ordinary Shares arising from said conversion will be admitted to trading on the same exchange as the existing Ordinary Shares in issue are admitted to trading with effect from that Conversion Date.

4.6.4A The Company shall do all such things and make all such entries in its register of members and execute all documents, on behalf of the relevant shareholder as may be necessary to effect the conversion of the Class A Shares.

4.7A Following the realisation of the Relevant Investments and once all Relevant Proceeds (net of the expenses of such realisation) have been distributed to the holders of Class A Shares, the Company shall compulsorily convert all remaining Class A Shares into fully paid Ordinary Shares of the Company, as follows:

4.7.1A As soon as practicable and, in any event, within one month following the final distribution to shareholders referred to in Article 4.7A, the Company shall notify the holders of Class A Shares that it intends to convert all remaining Class A Shares into Ordinary Shares of the Company (a “**Compulsory Conversion Notice**”).

4.7.2A The Company shall compulsorily convert the remaining Class A Shares into fully paid Ordinary Shares on the next Conversion Date following the Compulsory Conversion Notice. The Company shall procure that the Ordinary Shares arising from said conversion will be admitted to trading on the same exchange as the existing Ordinary Shares in issue are admitted to trading with effect from that Conversion Date.

4.7.3A The Company shall do all such things and make all such entries in its register of members and execute all documents, on behalf of the relevant shareholder as may be necessary to effect the conversion of the Class A Shares.

4B ORDINARY SHARES

4.1B The Company may issue ordinary shares of no par value in the capital of the Company (“**Ordinary Shares**”) with the sanction of the Board. For the avoidance of doubt, all the shares in issue immediately prior to the date of adoption of this Article 4B are Ordinary Shares.

4.2B The rights attaching to the Ordinary Shares shall be as follows:

4.2.1B As to income – subject to Article 4A and to the rights of any Ordinary Shares which may be issued with special rights or privileges, the holders of Ordinary Shares shall be entitled to receive, and participate in, any dividends or other distributions out of the income of the Company attributable to the Ordinary Shares available for dividend or distribution and resolved to be distributed in respect of any accounting period or any other income or right to participate therein in accordance with Article 28.

4.2.2B As to capital – subject to Article 4A and to the rights of any Ordinary Shares which may be issued with special rights or privileges, the holders of Ordinary Shares shall be entitled on a winding up to participate in the distribution of capital in the manner described in Article 34.

4.2.3B As to voting – subject to the provisions of these Articles and any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, the holders of the Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company in the manner described in Article 16.

4C AUTHORITY TO ALLOT AND ISSUE SHARES

4.1C Where the Directors have resolved to issue different classes of shares, the Directors have the authority to allot and issue, grant rights to subscribe for, or to convert any securities into, an unlimited number of shares and, where required by the Laws, such authority shall expire on the date which is five years from the date of the adoption of this Article 4C (unless previously renewed, revoked or varied by ordinary resolution of the Company in general meeting) save that the Directors may allot and issue shares or grant rights to subscribe for, or to convert any security into, shares after authorisation has expired if the shares are issued or the rights are granted, in pursuance of an offer or agreement made by the Company before the authorisation expired and the authorisation allowed the Company to make an offer or agreement which would or might require shares to be issued, or rights to be granted, after the authorisation had expired.

PART III

ADDITIONAL INFORMATION

1. Documents Available for Inspection

Copies of the following documents will be available for inspection at the offices of Reed Smith LLP, the Broadgate Tower, 20 Primrose Street, London EC2A 2RS and at the registered office of the Company during normal business hours on any Business Day (Saturdays and public holidays excepted) from the date of this Circular until the conclusion of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting for at least 15 minutes prior to, and during, the meeting:

- the Company's Memorandum and Articles;
- a draft of the proposed new articles to be included within the Articles; and
- this Circular.

A copy of this Circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at: www.morningstar.co.uk/uk/NSM. This Circular will also be available on the Company's website.

2. Directors' and other material interests

Insofar as is known to the Company, no Director, nor any of their connected persons, the existence of which is known to, or could with reasonable diligence be ascertained by, such Director whether or not held through another party, has any interest in the share capital of the Company or any options in respect of such capital immediately as at the date of this Circular save as discussed on the table immediately below:

<i>Director</i>	<i>No. of Shares</i>	<i>Percentage of voting rights</i>
David Jeffreys (Chairman)	10,000	0.02
Jeff Chowdhry	40,000	0.07
Phillip Rose	139,695	0.25
Roddy Sage	Nil	Nil
Serena Tremlett	15,000	0.03

As at 31 October 2012, the following direct and indirect interests in the Company's capital had been notified to the Company in accordance with the Disclosure Rules. None of the Company's major Shareholders have any different or special voting rights.

<i>Holder of voting rights</i>	<i>Percentage of voting rights</i>
Alpha Real Capital	44.4%
Billien Ltd	28.3%
IPGL Limited	6.0%
Europe Nominees Limited	5.2%

3. Guernsey regulatory requirements

The Company has received authorisation as an authorised closed-ended investment scheme by the Guernsey Financial Services Commission (“GFSC”) under section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) and the ACIS Rules made thereunder. As an authorised collective investment scheme supervised by the GFSC, the Company is obliged to comply with the requirements of the ACIS Rules, including as regards conflicts of interest. Notification of the proposals outlined in this document has been given to the Commission pursuant to Part 5 of the ACIS Rules.

The Company has not been authorised by the FSA, nor is it regulated by the FSA.

PART IV

DEFINITIONS

ACE	Active Commercial Estates plc;
ACIS Rules	Authorised Closed-Ended Investment Schemes Rules 2008;
Acquisition	the proposed acquisition by the Company from PIP of the Acquisition Portfolio as described in Part I of this Circular;
Acquisition Agreement	the sale and purchase agreement between PIP and the Company in respect of the Acquisition;
Acquisition Portfolio	certain assets of the investment portfolio of PIP as further described in Part I of this Circular;
Alpha Real Capital	Alpha Real Capital LLP;
Alpha Real Property	Alpha Real Property Investment Advisers LLP;
ARC Concert Parties	those persons deemed to be acting in concert with Alpha Real Capital;
Articles	the articles of incorporation of the Company in force from time to time;
ARTL or the Company	Alpha Real Trust Limited, a Guernsey incorporated closed-ended investment company with registered number 44786;
ART Adjusted NAV	the unaudited NAV of the Company as at 30 June 2012, adjusted to provide for the Company's anticipated costs of implementing the Proposal;
Board or your Board	the Directors acting as a board;
Circular	this document;
Class A Shares	the new class of convertible class A ordinary shares of no par value in the capital of the Company proposed to be created and issued to PIP as consideration for the Acquisition;
Code	The City Code on Takeover and Mergers;
Directors	the directors of ARTL, namely David Jeffreys, Jeff Chowdhry, Phillip Rose, Roddy Sage and Serena Tremlett;
Disclosure Rules	the Disclosure and Transparency Rules made by the FSA under Part VI of the UK Financial Services and Markets Act 2000;
Distributions in Kind	the distribution by PIP to its shareholders of Class A Shares, as described in Part I of this Circular;

Extraordinary General Meeting or the EGM	the extraordinary general meeting of the Company, convened for 10.30 a.m. on 30 November 2012 or any adjournment thereof, notice of which is set out at the end of this Circular;
Initial Dividend in Specie	the first Dividend In Specie to take place immediately following completion of the Acquisition;
Form of Proxy	the form of proxy for use in relation to the Extraordinary General Meeting enclosed with this Circular;
FSA	the Financial Services Authority;
Group	ARTL and any subsidiary undertakings;
Laws	every Order in Council, Act or Ordinance for the time being in force concerning companies registered in Guernsey and affecting the Company;
Leakage	any unapproved activities or economic leakage since 30 June 2012 which would lead to a diminution of the NAV of either the Company or PIP, as further described in Part I of this Circular;
London Stock Exchange	London Stock Exchange plc;
Memorandum	the memorandum of association of the Company;
NAV	net asset value;
Ordinary Shares	the issued ordinary shares of no par value in the capital of ARTL;
Panel	The Takeover Panel;
PIP	Property Investment Portfolio PLC;
PIP Participating Shareholder Consents	the consent of PIP's participating shareholders to the Acquisition and related proposals proposed to be obtained at class meetings of those shareholders;
PIP Founder Shareholder Consents	the resolutions of PIP's founder shareholders to (i) approve amendments to the articles of association of the PIP and (ii) approve, subject to Completion taking place, a declaration of the Initial Dividend in Specie;
PIP Sale NAV	the audited NAV of PIP as at 30 June 2012, adjusted to apply a nil value to PIP's holdings in each of ACE and RHIT and to provide for PIP's anticipated costs in implementing the Acquisition and PIP's members' voluntary winding up;
Proposal	the proposal described in Part I of this Circular;
Prospectus Rules	the Prospectus Rules published by the FSA;
Resolution	the resolution set out in the notice of EGM at the end of this

	Circular;
RHIT	Romulus High Income Trust;
SFM	The Specialist Fund Market operated by the London Stock Exchange; and
Shareholders	the holders of Ordinary Shares.

ALPHA REAL TRUST LIMITED

(a closed-ended investment company incorporated in Guernsey and registered with number 44786)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of Alpha Real Trust Limited (the “**Company**”) will be held at the offices of Morgan Sharpe Administration Limited, Old Bank Chambers, La Grande Rue, St Martin’s, Guernsey GY4 6RT on 30 November 2012 at 10.30 a.m. for the following business:

Special business:

To consider and, if thought fit, pass the following resolution as a special resolution:

THAT the articles of incorporation of the Company be and they hereby are amended by

- (a) the insertion into Article 1.1 (in the appropriate alphabetical order) of the new defined terms set out in Part II of the circular to shareholders dated 2 November 2012 of which this notice forms part (“**Circular**”); and
- (b) the insertion between Articles 4 and 5 of new Articles 4A to 4C in the form set out in Part II of the Circular.

Dated: 2 November 2012

By order of the Board
Morgan Sharpe Administration Limited
Company Secretary

Registered office:
Old Bank Chambers,
La Grande Rue,
St Martin’s,
Guernsey GY4 6RT

Notes:

1. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies (who need not be Shareholders) to attend and vote on their behalf.
2. To have the right to attend and vote at the meeting you must hold Ordinary Shares in the Company and your name must be entered on the share register of the Company in accordance with note 4 below.
3. To be valid, forms of proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by the Company’s registrar, Morgan Sharpe Administration Limited, at Old Bank Chambers, La Grande Rue, St Martin’s, Guernsey GY4 6RT or be returned by fax to +44 (0)1481 233319, as soon as possible but, in any event, so as to arrive no later than 10.30 a.m. on 28 November 2012. A form of proxy accompanies this notice. Completion and return of a form of proxy will not preclude members from attending and voting at the meeting should they wish to do so.
4. The time by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting is 10.30 a.m. on 28 November 2012. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. As at 31 October 2012, the latest practicable date prior to publication of this Circular, the Company had 55,532,813 Ordinary Shares in issue with a total of 49,979,532 voting rights.