|  |
| --- |
|  |
| THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, BANK MANAGER OR PROFESSIONAL FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 |
| PROPOSAL for A  scheme of arrangement  in relation to  **OLD MUTUAL PROPERTY FUND**  **(an authorised unit trust scheme)**  **with**  HENDERSON UK PROPERTY OEIC  **(a stand alone open-ended investment company)**  Notice of an Extraordinary General Meeting of the Unitholders in Old Mutual Property Fund to be held at Old Mutual Investment Management Limited, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4AJ on 27 November 2014 is set out in this document.  If you are unable to attend the meeting you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions printed on it as soon as possible and in any event so that it arrives no later than 48 hours before the time set for the meeting. Completing the Form of Proxy will not prevent you attending and voting at the Unitholder meeting in person, if you wish to do so. |



1. **DIRECTORY**

|  |
| --- |
| **Discontinuing Fund**  Old Mutual Property Fund  Millennium Bridge House  2 Lambeth Hill  London EC4V 4AJ |

**Continuing Fund**

Henderson UK Property OEIC

201 Bishopsgate

London EC2M 3AE

|  |
| --- |
| **Manager of the Discontinuing Fund**  Old Mutual Investment Management Limited  Millennium Bridge House  2 Lambeth Hill  London EC4V 4AJ  **Authorised Corporate Director of the Continuing Fund**  Henderson Investment Funds Limited  201 Bishopsgate  London EC2M 3AE  Telephone; 0800 832 832 |
| **Administrator of the Discontinuing Fund**  Citibank Europe plc  1 North Wall Quay  Dublin 1  Ireland  **Shareholder Administrator of the Continuing Fund**  International Financial Data Services (UK) Limited  IFDS House  St Nicholas Lane  Basildon  Essex SS15 5FS |
| **Trustee of the Discontinuing Fund and Depositary of the Continuing Fund**  National Westminster Bank Plc  135 Bishopsgate  London EC2M 3UR |



1. **GLOSSARY**

Throughout this document, except when the context requires otherwise, terms defined in the Incorporation Documentation and the Prospectuses of the Discontinuing Fund and the Continuing Fund (as applicable) shall have the same meanings where used here and otherwise the following definitions apply:

|  |  |
| --- | --- |
| “**ACD**” | Henderson Investment Funds Limited, as the authorised corporate director and alternative investment fund manager of the Continuing Fund; |
| “**Continuing Fund**” | Henderson UK Property OEIC; |
| “**Depositary**” | National Westminster Bank Plc in its capacity as the depositary of the Continuing Fund; |
| “**Discontinuing Fund**” | Old Mutual Property Fund; |
| “**Effective Time**”  “**Effective Date**” | immediately after 12 noon on 15 January 2015, or such subsequent date and time as may be agreed in writing between the Manager, the Trustee, the ACD and the Depositary;  15 January 2015 or the date upon which the conditions set out in this circular are fully satisfied whichever is the later, or such subsequent date as may be agreed in writing between the Manager, the Trustee, the ACD and the Depositary; |
| “**Extraordinary Resolution**” | the Extraordinary Resolution of Unitholders of the Discontinuing Fund set out in the Notice of Meeting of Unitholders which appears in appendix D to this circular; |
| “**FCA**”  “**Form of Proxy**” | the Financial Conduct Authority, or any successor regulatory body;  form to be completed and lodged with the Manager which appears in appendix E; |
| **“Fund”** | the Discontinuing Fund or the Continuing Fund, as the context requires; |
| **“HMRC”** | Her Majesty’s Revenue and Customs; |
| “**Incorporation Documents**” | the instrument of incorporation of the Continuing Fund or the trust deed of the Discontinuing Fund, as the context requires; |
| “**Manager**” | Old Mutual Investment Management Limited, as the manager of the Discontinuing Fund; |
| “**month**” | a calendar month; |
| “**Net Asset Value**” | the value of the assets of the Discontinuing Fund or the Continuing Fund, as applicable, after deduction of the value of its liabilities; |
| **“NURS KII”** | the NURS Key Investor Information, a document providing information to investors about a fund prior to investment; |
| “**Property**” | the scheme property of the Discontinuing Fund or the Continuing Fund, as the context requires; |
| “**Prospectus**” | the current prospectus of the Discontinuing Fund or the Continuing Fund, as the context requires; |
| “**Regulations**” | the Sourcebook and, as relevant, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228); |
| “**Retained Amount**” | an amount which is calculated by the Manager (after consultation with the Trustee and the auditor) to be necessary to meet the actual and contingent liabilities of the Discontinuing Fund, and which is to be retained by the Trustee for the purpose of discharging those liabilities; |
| “**Scheme**” | the scheme of arrangement described in this circular; |
| “**SDRT**” | stamp duty reserve tax; |
| “**Share**” or “**Shares**” | a share, or shares (including larger and smaller denomination shares) in the Continuing Fund; |
| “**Sourcebook**” | the part or parts of the FCA Handbook of Rules and Guidance which deals with regulated collective investment schemes; |
| “**Trustee**” | National Westminster Bank Plc in its capacity as the trustee of the Discontinuing Fund; |
| **“Unit”** or **“Units”** | a unit, or units (including fractions of units) in the Discontinuing Fund; and |
| **“Unitholder”** or **“Unitholders”** | in relation to a Unit or Units of the Discontinuing Fund, the person or persons entered in the register as the unitholder or unitholders of that Unit or Units on the date seven days before the date that this document is sent out but in relation to the Discontinuing Fund. |



1. **SUMMARY OF EXPECTED KEY DATES**

|  |  |
| --- | --- |
| 18 November 2014 | Qualification date for voting for Unitholders |
| 10.00 am (GMT) on 25 November 2014 | Latest time and date for receipt of Forms of Proxy for Extraordinary General Meeting |
| 10.00 am (GMT) on 27 November 2014 | Extraordinary General Meeting of Unitholders in the Discontinuing Fund |
| **Subject to the approval of Unitholders** |  |
| 12 noon (GMT) on 14 January 2015 | Last dealing point for Units in Discontinuing Fund |
| 12.01 pm (GMT) on 14 January 2015 | Suspension of dealing in Units in Discontinuing Fund |
| 12.01 pm (GMT) on 15 January 2015 | Time of valuation of the Discontinuing Fund for the purposes of the Scheme |
| 12.01 pm (GMT) on 15 January 2015  12.01 pm (GMT) on 15 January 2015 | Effective Time  Suspension of dealing in Shares in the Continuing Fund |
|  |
| 12.00 noon (GMT) on 19 January 2015 | Commencement of dealing in Shares of Continuing Fund |
| Within 14 days of the Effective Date, 30 January 2015 being the last day for notification | Notification of entitlements to Shares of Continuing Fund sent to Unitholders |
| Within 2 months of the Effective Date, 13 March 2015 being the last day for distribution | Final distribution of income of Discontinuing Fund |
|  |  |



1. **LETTER TO UNITHOLDERS**

To all Unitholders in: Old Mutual Property Fund

12 November 2014

Dear Unitholder

**Proposal for a scheme of arrangement in relation to Old Mutual Property Fund**

* 1. Introduction

Old Mutual Investment Management Limited as the manager of the Discontinuing Fund proposes to transfer the net assets of the Discontinuing Fund to the Continuing Fund.

The Discontinuing Fund has met its objectives since inception, but unlike its peers it has not taken large inflows in recent years. The Unitholder base is highly concentrated with several large institutional clients owning much of the Discontinuing Fund. There is a risk that if one of these investors were to significantly reduce their holding the Manager would be forced to suspend the Discontinuing Fund in order to protect the interests of all Unitholders.

Rather than allow investors to continue to run this risk the Manager recommends that Unitholders support a merger with the Continuing Fund. Post merger it is expected that Unitholders will continue to gain exposure to the commercial property market through a large and well-managed fund but with greatly reduced risk of suspension due to outflows from a single Unitholder.

The Manager is proposing to effect the transfer through a formal scheme of arrangement by which the net assets of the Discontinuing Fund will become assets of the Continuing Fund and Unitholders in the Discontinuing Fund will receive Shares in the corresponding Share class of the Continuing Fund in accordance with the value of their holding in the Unit class of the Discontinuing Fund.

The purpose of this circular is to provide further information about the Continuing Fund and the Scheme.

* 1. Unitholders’ Extraordinary Resolution

The proposal requires the approval of Unitholders in the Discontinuing Fund. The Manager will seek approval by way of Extraordinary Resolution of Unitholders in the Discontinuing Fund as set out in the Notice of Meeting of Unitholders in appendix D. Unitholders may choose to vote on the scheme of arrangement either by attending the meeting in person or by completing the Form of Proxy which accompanies this circular.

* 1. Particulars of the Funds and key differences

Details of the Discontinuing Fund (and Units) and the Continuing Fund (and Shares) are set out at appendix B. These include a description of the differences between the structure of the Discontinuing Fund and the Continuing Fund, their investment objectives and policies, their investment and borrowing powers and the charges and minimum investment amounts applicable.

A copy of the NURS KII relating to the Continuing Fund is available on the ACD’s website (www.henderson.com).

A copy of the NURS KII relating to the Discontinuing Fund is available on request from the Manager.

The key differences between the Discontinuing Fund and the Continuing Fund are as follows:

* + 1. Legal Structure

The Discontinuing Fund and the Continuing Fund have different legal structures. The Discontinuing Fund is an authorised unit trust whereas the Continuing Fund is an investment company with variable capital. Information about the differences in the two structures are set out in appendix B.

* + 1. Investment Objective

The Discontinuing Fund aims to provide capital growth and income from investment in a diversified property portfolio, primarily in direct property, but may include property related securities and collective investment schemes, property derivatives, cash and near cash, and government and other public securities.

The Continuing Fund aims to achieve a high income together with some growth of both income and capital.

The full investment objectives and policies of the Discontinuing Fund and the Continuing Fund are set out in appendix B.

* + 1. Investment Powers

The investment powers of the Discontinuing Fund and the Continuing Fund are broadly similar. However, the Discontinuing Fund will invest between 65% and 100% in physical property, whereas the Continuing Fund may invest up to 100% in physical property, but will typically invest no more than 90% of the value of the Fund in physical property. Further details of the differences are set out in appendix B.

* + 1. Derivatives

The Discontinuing Fund may use derivatives where the Manager reasonably believes it to be economically appropriate for efficient portfolio management. The Continuing Fund may use derivatives for efficient portfolio management and currency hedging. As the market in property derivatives develops, derivatives may be used outside of efficient portfolio management to meet the Continuing Fund's investment objective. If it decides to use derivatives for purposes outside of efficient portfolio management, the ACD will give notice to shareholders.

To the extent that derivatives are used, the use of derivatives for the purposes of efficient portfolio management is not expected to affect the risk profile of the Funds. In the event that the Continuing Fund does use derivatives for investment purposes this might, at times, increase the volatility of the Continuing Fund’s Net Asset Value and change the risk profile of the Continuing Fund.

Ongoing Charges

The ongoing charges figures for the Funds are set out in appendix B. Investors will benefit from the overall lower costs of the Continuing Fund. This reduction is partly due to the greater efficiency of the larger Continuing Fund and partly because the Continuing Fund does not have an external sub-advisor to manage the portfolio.

3.6 Risk profile

Both the Continuing Fund and the Discontinuing Fund can be considered as ‘core’ property funds, providing investors with balanced and diversified exposure to the UK commercial property market. As such, the Funds offer a similar risk profile to investors.

* + 1. Allocation/distribution Dates

The Continuing Fund allocates and distributes income more frequently than the Discontinuing Fund. For details of the exact allocation and distribution dates see the relevant “Key Terms” table in appendix B.

* 1. Form of Scheme and Effective Date

A Scheme has been prepared to implement the proposals and is set out in full in appendix A. The approval and adoption of the Scheme is dependent on the approval of Unitholders in the Discontinuing Fund by an Extraordinary Resolution, details of which are in appendix D.

If the Scheme is approved the Effective Date will be 15 January 2015 or such later date as is determined by the Manager, the Trustee, the ACD and the Depositary.

If the Extraordinary Resolution is passed then the Scheme will be binding on all Unitholders in the Discontinuing Fund whether or not they voted in favour of it or voted at all.

Provided that the Extraordinary Resolution of Unitholders in the Discontinuing Fund is passed, dealings in the Units of the Discontinuing Fund will cease on 14 January 2015 at 12.01pm. Normal dealings in the Shares of the Continuing Fund will resume on 19 January 2015. The Discontinuing Fund will then be wound up.

If the Extraordinary Resolution is not passed the Discontinuing Fund will continue to operate as it does currently, subject to its economic viability in the reasonable opinion of the Manager. If the Discontinuing Fund is not considered viable then the Manager may take steps to wind it up. The Manager will write to you again if it decides to wind up the Discontinuing Fund.

* 1. Basis of Transfer

Upon the Scheme becoming effective Unitholders of the Discontinuing Fund will be entitled to receive Shares in the Continuing Fund of a value equivalent to the aggregate value of their existing Units in the Discontinuing Fund.

The valuation of the Discontinuing Fund and the Continuing Fund will take place at 12.01 pm on 15 January 2015. This is to enable the Manager to value assets using the most recent price available for the underlying assets held within the Discontinuing Fund to ensure that the value of the Units in the Discontinuing Fund and the Shares in the Continuing Fund are accurate for the purpose of calculating the value of the Shares for the Scheme. For this purpose, investments will be valued at their mid-market values (excluding purchase or sale costs).

The number of Shares in the Continuing Fund to be issued to each Unitholder in the Discontinuing Fund will be rounded to two decimal places.

Unitholders should note that the FCA rules which in certain circumstances confer a right to cancel a contract to purchase shares, will not apply to the acquisition of the Shares of the Continuing Fund pursuant to the Scheme. The ACD will not levy a preliminary charge in respect of Shares in the Continuing Fund issued under the Scheme.

Unitholders of the Discontinuing Fund will be sent a written notification setting out their entitlement to Shares in the Continuing Fund within 14 days of the Effective Date. Certificates will not be issued in respect of Shares. Unitholders will be able to purchase and redeem Shares in the Continuing Fund after the Effective Date by contacting the ACD on 0845 608 8703.

Issues and redemptions of Units in the Discontinuing Fund may take place up to 14 January 2015 but will cease immediately after 12 noon on that date. You may also switch out of the Discontinuing Fund into a fund of your choice within any Old Mutual umbrella without imposition of a switch charge any time up until this date. Please note that a switch may be treated as a redemption and sale and may, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation. You can also switch out of the Continuing Fund into a fund of your choice within the Henderson fund range without imposition of a switch charge, or redeem your Shares, any time after the Effective Date.

* 1. Equalisation

Please note that part of the purchase price of a Share in the Continuing Fund reflects the relevant share of accrued income received or to be received by the Continuing Fund. This capital sum is returned to a shareholder with the first allocation of income in respect of a Share issued during an accounting period. The amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the price of Shares issued or sold to shareholders in an annual or interim accounting period by the number of those shares and applying the resultant average to each of the Shares in question. Equalisation is also currently applied in the Discontinuing Fund.

The equalisation applicable to your individual holding of Units in the Discontinuing Fund at the Effective Date of the Scheme, will be detailed on your distribution notice. This notice will be in the same format as distribution notices that you will have received from the Manager previously and should be taken into account when calculating your tax return for the current tax year.

On the Effective Date of the Scheme, you will receive Shares in the Continuing Fund. You will receive a distribution notice for your holding in the Continuing Fund on or around 30 April 2015 for the period ending 28 February 2015.

* 1. Taxation

The Manager’s understanding of certain aspects of the UK tax position relating to the Scheme is as follows:

*The Discontinuing Fund*

Gains arising on the transfer of the Discontinuing Fund’s assets to the Continuing Fund will not be treated as chargeable gains for the purposes of corporation tax on chargeable gains as, pursuant to Section 100 of the Taxation of Chargeable Gains Act 1992, gains accruing to such authorised unit trusts are not chargeable gains.

*Unitholders*

Clearance has been sought from HMRC under Section 138 of the Taxation of Chargeable Gains Act 1992 that it is satisfied that the provisions of Section 103K(1) of that Act (which apply to any person who together with connected persons holds more than 5% of the Units in the Discontinuing Fund) should not have effect in respect of the Scheme, with the result that Section 103H of that Act would not be prevented from applying. Consequently, the proposed amalgamation of the Discontinuing Fund and the Continuing Fund (involving the cancellation of Units in the Discontinuing Fund and the issue of Shares in the Continuing Fund) should not constitute a disposal of Units in the Discontinuing Fund by holders of those Units so as to give rise to any liability to UK tax on capital gains. The acquisition cost for the purposes of UK tax on capital gains of Shares in the Continuing Fund issued under the Scheme should generally be calculated by reference to the base cost of the Units in the Discontinuing Fund, which they replace.

Clearance has also been sought from HMRC under Sections 682 to 713 of the Income Tax Act 2007 and section 748 of the Corporation Tax Act 2010 to the effect that no notice under section 698 of the Income Tax Act 2007 (counteraction notices) or Section 746 of the Corporation Taxes Act 2010 (cancellation of corporation tax advantage) which provides for the cancellation of tax advantages from certain transactions in securities ought to be given in respect of the Scheme.

Special rules apply to corporate Unitholders within the charge to corporation tax which may result in their Units being treated for the purposes of the UK’s corporate debt rules as rights under a creditor relationship of the corporate Unitholder. A fair value basis of accounting would have to be used, for corporation tax purposes, as respects the deemed creditor relationship.

**The above summary is only intended as a general guide to some of the main aspects of current UK tax law and practice applicable to the Scheme and may not apply to certain categories of investor. It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. If you are in any doubt about your personal UK tax position in relation to the Scheme, you should seek independent advice immediately from your professional adviser and Unitholders who are resident or otherwise subject to taxation in a jurisdiction other than the UK should in addition obtain professional advice about their tax position in relation to the Scheme in their own countries of citizenship, residence or domicile.**

* 1. Consents

Details of the consents and clearances that have been obtained in relation to the Scheme are set out in to this document.

* 1. Scheme to be binding

If the Extraordinary Resolution is passed, then the Scheme will become effective and will be binding on all Unitholders in the Discontinuing Fund whether or not they voted in favour of it, or voted at all.

* 1. Expenses

All expenses in relation to the Scheme will be borne by the Manager, except certain expenses which are permitted by the current Prospectus to be borne by the Discontinuing Fund, namely the fees and expenses of the external legal adviser to the Manager in respect of the Discontinuing Fund in respect of the Scheme. Audit costs will also be borne by the Discontinuing Fund. The costs borne by the Discontinuing Fund are expected to be less than 0.15% of the value of the Discontinuing Fund.

* 1. Documents available for inspection

A list of the documents relating to the Scheme that are available for inspection, together with details of the place and time at which they are available for inspection, is set out in to this document.

The Prospectus and NURS KII containing the terms of an investment in the Discontinuing Fund are available from the Manager on request. The Prospectus containing the terms of an investment in the Continuing Fund are available from the ACD on request. The NURS KII is available at www.henderson.com.

* 1. Valuer

If the Extraordinary Resolution is passed, then CBRE Limited will replace Knight Frank LLP as the independent valuer of the Discontinuing Fund with effect from the date the Extraordinary Resolution is passed.

* 1. Financial adviser

We will assume that your financial adviser has not provided any investment advice to you in relation to this Scheme.

As such, if he/she was entitled to receive trail commission in relation to your original investment the ACD of the Continuing Fund will continue to pay such trail commission to him/her until such time as you or he/she informs the ACD of the Continuing Fund that the payment of commission should cease.

* 1. Action to be taken

It is important that Unitholders read this circular, which includes the appendices carefully. Unitholders who are unable to attend the meeting are invited to return their Form of Proxy as soon as possible and in any event to arrive no later than 48 hours before the meeting.

* 1. Recommendation

**The Manager believes that the proposals set out in this document are in the best interests of the Unitholders. The Manager therefore recommends that Unitholders vote in favour of the resolution being proposed at the Extraordinary General Meeting.**

If you have any questions concerning the Scheme or any of the other matters in this letter please consult your financial adviser or contact the Manager on +44 (0)20 7332 7524. Please be aware that the Manager is unable to provide you with financial or investment advice.

The FCA has been informed of the proposal contained in this document and has confirmed that the implementation of the proposal as set out in this document will not affect the continuing authorisation of the Continuing Fund as an authorised fund.

Yours faithfully,

Paul Nathan

(Director)

for Old Mutual Investment Management Limited

* 1. SCHEME OF ARRANGEMENT

The following terms shall apply to the proposal for the merger of the Discontinuing Fund with the Continuing Fund.

* + 1. **Definitions**
       1. In this scheme of arrangement (the “**Scheme**”) the expressions set out in the Glossary of this circular have the meanings specified in that Glossary.
       2. In so far as any of the provisions of this Scheme are inconsistent with the Incorporation Documentation, the provisions of the Incorporation Documentation shall prevail.
       3. In so far as any of the provisions of this Scheme are inconsistent with the Regulations, the Regulations shall prevail.
    2. **Transfer**
       1. The transfer of the net assets of the Discontinuing Fund to the Continuing Fund is subject to the passing of an Extraordinary Resolution by Unitholders in the Discontinuing Fund, by which Unitholders approve the Scheme and authorise the Manager and the Trustee to implement this Scheme.
       2. Upon passing of such an Extraordinary Resolution, the Scheme will be binding on all Unitholders in the Discontinuing Fund, and the transfer will be implemented as set out in the following paragraphs.
       3. On and from the Effective Date (subject to the terms of this Scheme) the assets of the Discontinuing Fund shall become the assets of the Continuing Fund by being applied to the Continuing Fund in accordance with the provisions of the Scheme and ceasing to be applied to the Discontinuing Fund.
       4. On the Effective Date, the Manager and the Trustee shall in respect of the Discontinuing Fund be entitled to receive for its own account the amounts of its periodic charges and expenses accrued up to the Effective Date and remaining unpaid.
       5. The Manager shall determine the amount (if any) of income available for distribution to Unitholders in respect of the period which commenced on 31 March 2014 to the Effective Date. Any income accrued shall be crystallised at the Effective Date and accumulated for accumulation Unitholders or paid out to income Unitholders within two months of the Effective Date. The amounts of any such distribution payments to be so made and of any unclaimed distribution payments in respect of previous accounting periods of the Discontinuing Fund which are unclaimed after a period of six months from the relevant dates of payment shall be held by the Trustee on trust for the persons respectively entitled thereto in a separate designated account.
    3. **Suspension of dealings in the Discontinuing Fund and valuation**
       1. To facilitate the implementation of the Scheme, dealings in Units will cease at 12.01pm on 14 January 2015.
       2. The value of the assets and liabilities of the Discontinuing Fund held in accordance with this Scheme and of the assets and liabilities of the Continuing Fund for the purposes of paragraph 4 of this Scheme shall be ascertained as at 12.01 noon on 15 January 2015 on the basis of mid-market prices and in accordance with the Regulations, meaning that where two prices are quoted for an asset according to whether it is being bought or sold, that asset will be valued at the mid-point between those two prices. The immovable property assets will be valued by the Funds’ independent property valuers.
       3. The usual estimate of dealing costs taken into account when calculating the price of a Unit in the Discontinuing Fund will not be included in calculating the Discontinuing Fund Net Asset Value for the purposes of the conversion.
       4. The values ascertained in accordance with this Scheme will be used to calculate the number of Shares to be issued to each existing Unitholder. The Manager shall calculate the Retained Amount which shall be held by the Trustee and applied in accordance with this Scheme. Any remaining balance thereafter shall be transferred to the Continuing Fund, subject to the Discontinuing Fund retaining such balance as shall be deemed necessary by the Manager to meet any outstanding liabilities.
    4. **Issue of Shares in the Continuing Fund**
       1. The effect of the Scheme is to transfer the net assets of, and Unitholder entitlement in, the Discontinuing Fund to the Continuing Fund in accordance with the table below. Upon completion of the Scheme, 100% of a Unitholder’s value will be represented by Shares.

|  |  |
| --- | --- |
| **Discontinuing Fund’s Unit class** | **Continuing Fund’s Share class** |
| Class A (GBP) Accumulation Units | Class A Accumulation |
| Class A (GBP) Income Units | Class A Income |
| Class R (GBP) Income Units | Class I Income |
| Class S (GBP) Income Units | Class I Income |
| Class U1 (GBP) Income Units | Class I Income |
| Class U1 (GBP) Accumulation Units | Class I Accumulation |
| Class U2 (GBP) Income Units | Class U2 Income |
| Class U2 (GBP) Accumulation Units | Class U2 Accumulation |

* + - 1. As at and from the Effective Date, National Westminster Bank Plc will cease to hold the capital property of the Discontinuing Fund less the Retained Amount (the “**Transferred Property**”) in its capacity as Trustee of the Discontinuing Fund and National Westminster Bank Plc shall hold it as scheme property of the Continuing Fund freed and discharged from the provisions set out in the Incorporation Documentation of the Discontinuing Fund, in its capacity as Depositary of the Continuing Fund. National Westminster Bank Plc will make or ensure the making of any transfers or re-designations which may be necessary as a result of its ceasing to hold the Transferred Property as the Trustee of the Discontinuing Fund. The Transferred Property will be full payment for the Shares issued to existing Unitholders, who will be treated as exchanging their Units for Shares.
      2. As at the Effective Date every Unit in the Discontinuing Fund shall be deemed to have been cancelled except to the extent necessary to implement the provisions of this Scheme relating to allocation of income, and the ACD shall issue the appropriate number of Shares to be issued to the persons registered in the register of Unitholders in the Discontinuing Fund as at the Effective Date (including the ACD in respect of any Shares in the Discontinuing Fund to which it is entitled).
      3. The total number of Shares to be created and issued pursuant to this Scheme to Unitholders shall be calculated by dividing the aggregate value of Units less any income accrued by the aggregate value of Shares in the relevant Share class in the Continuing Fund and multiplying the result by the number of Shares in the Continuing Fund in issue or deemed to be in issue at the Effective Date (the “**Total**”). Unitholders should note the minimum holding, subsequent investment and minimum withdrawal requirements on the Continuing Fund. The minimum investment and holding limits will not be applied in respect of the Scheme but will apply thereafter.
      4. The number of Shares to be issued to each Unitholder shall be the same proportion to the Total as that proportion of Units held or deemed to be held by such holder in relation to the total number of Units in issue or deemed to be in issue at the Effective Date.
      5. The ACD shall not be entitled to receive any preliminary charge in respect of Shares issued pursuant to this Scheme.
    1. **Notification to Unitholders of Shares issued under the Scheme**
       1. Letters providing details of the Shares issued under this Scheme to former Unitholders in the Discontinuing Fund shall be sent to such Unitholders (or in the case of joint holders to the first named of such holders on the Register of Unitholders) at their respective addresses registered in the Register of Unitholders in the Discontinuing Fund within 14 days of the Effective Date.
       2. Transfers or repurchases of Shares may be effected after the Effective Date in accordance with the Prospectus of the Continuing Fund.
    2. **Instructions**

Any mandates and other instructions to the Manager in force on the Effective Date relating to Units in the Discontinuing Fund shall be deemed by the ACD from the Effective Date to be effective mandates and instructions in respect of the Shares issued pursuant to this Scheme in the Continuing Fund. Further details are available from the ACD (contact details are shown in Part 1 of this document).

* + 1. **Winding up of the Discontinuing Fund** 
       1. The Manager will proceed to wind up the Discontinuing Fund in accordance with the Regulations on the Effective Date.
       2. The Retained Amount (which will be made up of cash and other assets, if necessary) and income arising on it, will be used by the Trustee to pay outstanding liabilities of the Discontinuing Fund in accordance with the provisions of this Scheme, the Incorporation Documentation, the Prospectus and the Regulations.
       3. If, on the completion of the wind up, there are any surplus monies remaining in the Discontinuing Fund, they, together with any income arising therefrom, shall be transferred to the Continuing Fund. No further issue of Shares shall be made as a result. National Westminster Bank Plc shall cease to hold the Retained Amount in its capacity as Trustee of the Discontinuing Fund and National Westminster Bank Plc shall instead hold it in its capacity as Depositary of the Continuing Fund freed and discharged from the provisions set out in the Instrument of Incorporation. The Depositary shall make such transfers and   
          re-designations as may be necessary as a result.
       4. If the Retained Amount is insufficient to pay off all the liabilities of the Discontinuing Fund then the Manager shall discharge the shortfall (or if the Trustee is liable to meet such liabilities, put the Trustee in funds to discharge such liabilities) and indemnify the Trustee in respect thereof, unless the Manager shall be satisfied and confirm to the Trustee that proper provision was made for meeting such liabilities of the Discontinuing Fund as was known or should reasonably have been anticipated at the Effective Date and the amount of such undischarged liabilities is paid out of the Continuing Fund, in accordance with the Regulations.
       5. On completion of the winding up, the Manager and the Trustee will be discharged from all their obligations and liabilities in respect of the Discontinuing Fund, except those arising from a breach of duty before that time.
    2. **Conditions**
       1. The FCA has been informed of the proposal contained in this document and has confirmed that the implementation of the proposal as set out in this document will not affect the continuing authorisation of the Funds as authorised funds. In the event of such Extraordinary Resolution being passed, this Scheme will be binding on all holders of Units in the Discontinuing Fund, whether or not they have voted in favour of the Extraordinary Resolution or voted at all and shall be carried into effect accordingly.
    3. **Charges and Expenses**
       1. Unless otherwise notified, the costs of preparing and implementing this Scheme will be paid by the Manager, except certain expenses which are permitted by the current Prospectus to be borne by the Discontinuing Fund, namely the fees and expenses of the external legal adviser to the Manager in respect of the Discontinuing Fund in relation to the Scheme. Audit costs will be borne by the Discontinuing Fund. The costs borne by the Discontinuing Fund are expected to be less than 0.15% of the value of the Discontinuing Fund.
       2. The Continuing Fund is expected to be exempt from stamp duty and SDRT on the transfer to it by the Discontinuing Fund of the latter’s portfolio of investments under the Scheme, however should any arise it will be borne by the Discontinuing Fund.
    4. **Reliance on register and certificates**

The Manager, the Trustee, the auditors of the Discontinuing Fund, the ACD and the Depositary of the Continuing Fund shall each be entitled to assume that all information contained in the register of Unitholders in the Discontinuing Fund on and immediately prior to the Effective Date is correct, and to utilise the same in calculating the number of Shares to be issued and registered pursuant to the Scheme. The Manager and the Trustee may each act and rely upon any certificate, opinion, evidence or information furnished to it by the other or by its respective professional advisers or by the auditors of the Discontinuing Fund in connection with the Scheme, and shall not be liable or responsible for any resulting loss.

* + 1. **Alterations to the Scheme**

The terms of this Scheme are subject to such amendments as may be agreed prior to the Effective Date by the Manager, the Trustee, the ACD and the Depositary.

* + 1. **Governing law and jurisdiction**

This Scheme shall in all respects be governed by, and shall be construed in accordance with the laws of England and shall be subject to the jurisdiction of the English courts.

1. .
   1. COMPARISON OF FUNDS

**Investment Objectives and Policies**

The differences between the investment objective and policy of the Discontinuing Fund and Continuing Fund are as set out in the table below.

|  |  |
| --- | --- |
| **Discontinuing Fund** | **Continuing Fund** |
| **Investment Objective**  To provide capital growth and income from investment in a diversified property portfolio, primarily in direct property, but may include property related securities and collective investment schemes, property derivatives, cash and near cash, and government and other public securities.  **Investment Policy**  The emphasis of the Fund is investment in UK property. The Fund may also invest in collective investment schemes which give property exposure, and property related securities. Derivatives may be used for efficient portfolio management. Cash, near cash, government and other public securities may be held.  The Manager has appointed a specialist investment adviser to manage the Fund and continuously monitors its suitability. | **Investment Objective**  To achieve a high income together with some growth of both income and capital.  **Investment Policy**  The Fund aims to invest primarily in commercial property and property related securities. It may also invest in residential property and in non property-related securities, units/shares in collective investment schemes, money market instruments, deposits, derivatives and forward foreign exchange contracts.  Investments in these assets may include exchange traded funds, real estate investment trusts, unregulated collective investment schemes (which may include unauthorised property unit trusts and limited partnerships).  Whilst the Fund aims to invest primarily in the UK, it may also invest overseas. |

**Investment and Borrowing Powers**

|  |  |  |
| --- | --- | --- |
| **Fund Investments and Investment Techniques** | **Discontinuing Fund** | **Continuing Fund** |
| Approved securities | The Fund may invest in transferable securities and approved money-market instruments provided they are:  (i) admitted to or dealt on a regulated market;  (ii) dealt in on a market in a European Economic Area (“EEA”) state which is regulated, operates regularly and is open to the public;  (iii) admitted to or dealt in on a market which the Manager and the Trustee determine to be appropriate, the market is included in the list of eligible markets in schedule 2 and the Trustee has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market and all reasonable steps have been taken by the Manager in deciding whether that market is eligible;  (iv) for an approved money-market instrument not admitted to or dealt in on an eligible market where the issue or the issuer is regulated for the purpose of protecting investors and savings and the instrument is issued or guaranteed in accordance with the Sourcebook; or  (v) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and the admission is secured within a year of issue. | The Fund may invest in transferable securities and money-market instruments provided they are:  (i) admitted to or dealt in on a regulated market;  (ii) dealt in on a market in an EEA State which is regulated, operates regularly and is open to the public;  (iii) admitted to or dealt in on an eligible market which has been designated an eligible market by the ACD in consultation with the Depositary; or  (iv) cash, money market instruments and deposits. Note that the Fund can only invest in deposits with an approved bank, if it is repayable on demand or has the right to be withdrawn and matures in no more than 12 months. |
| Transferable securities that are not approved securities | The aggregate value of the mortgages secured on immovables, the borrowing of the Fund and any transferable securities, that are not approved securities, shall not exceed 20% of the value of the Fund’s Property. | Not more than 20% in value of the Fund’s Property shall consist of transferable securities (which are not approved securities) or of money market instruments and unregulated collective investment schemes. |
| Government and public securities | No more than 35% in value of the Property of the Fund may be invested in government and public securities issued by the same issuer. | Same As for the Discontinuing Fund. |
| Collective investment Schemes | No more than 15% of the Property of the Fund may be invested in units in collective investment schemes. | As for the Discontinuing Fund. |
| Derivatives | Derivative and forward transactions may be used where the Manager reasonably believes it to be economically appropriate to the efficient portfolio management of the Fund. | Derivative instruments and forward foreign exchange contracts may be used for the purposes of efficient portfolio management and currency hedging. As the market in property derivatives develops, derivatives may be used outside of efficient portfolio management to meet the Company's investment objective. If the manger decides to use derivatives for purposes outside of efficient portfolio management, the ACD will give notice to Shareholders. |
| Immovables (i.e. real property) | The Fund will invest between 65% and 100% of its property in immovables. | The Fund may invest up to 100% in value of the Fund’s Property in eligible immovables, but will typically invest no more than 90% of the value of the Property in immovables. |
| Stock lending | The Fund has power to engage in stock lending in the manner permitted by, and subject to the requirements of, the Sourcebook. The power may be exercised for the purpose of efficient portfolio management. There is no limitation on the value of the property of the Fund that may be the subject of permitted stock lending transactions. However, currently the Fund does not engage in stock lending and the Manager does not anticipate that the Fund will engage in stocklending in the future. | The Fund may enter into stock lending transactions. However, the power must only be exercised where it reasonably appears to the ACD to be appropriate to do so with a view to the generation of capital or income for the Fund with an acceptable degree of risk. There is no limit on the value of the property of the Fund which may be the subject of stock lending transactions. |
| Borrowing | Subject to the Sourcebook, the Fund may borrow to meet redemption and settlement mismatches, although it is not expected that significant use will be made of borrowing. Such borrowing may only be made from an eligible institution or approved bank and must be on a temporary basis only; no period of borrowing may exceed three months without the prior consent of the Trustee (which may only give such consent on conditions as appear to the Trustee appropriate to ensure that the borrowing does not cease to be on a temporary basis). Borrowing must not, on any Business Day, exceed 10% of the value of the Property of the Fund. As well as applying to borrowing in a conventional manner, the 10% limit applies to any other arrangement designed to achieve a temporary injection of money into the Property of the Fund, in the expectation that such will be repaid, for example by way of a combination of derivatives which produces an effect similar to borrowings. | The Fund may borrow money for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the Instrument of Incorporation constituting the Fund. The Depositary may borrow money only from an Eligible Institution or an Approved Bank.  The ACD must ensure that the Company’s borrowing (financial leverage) does not, on any business day, exceed 10% of the value of the Fund’s Property. For these purposes  borrowing does not include back to back borrowing whereby currency is borrowed but secured by an equal amount of another currency. |
| Cash and near cash | The Fund will normally invest less than 15% of its assets in cash or near cash instruments although this level may increase in the event of abnormal market conditions or high levels of redemptions or subscriptions.  Cash forming part of the property of a Fund or standing to the credit of the distribution account may be placed in any current, deposit or loan account with the Depositary, the ACD or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm’s-length between two independent parties. | Cash and near cash may only be held where it may reasonably be regarded as necessary to enable the pursuit of the Fund’s investment objective, the redemption of Shares, the efficient management of the Fund or other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund. |

**Key Terms**

The Key Terms of the relevant Unit classes in the Discontinuing Fund and the Share classes in the Continuing Fund are as follows.

|  |  |  |
| --- | --- | --- |
|  | **Discontinuing Fund** | **Continuing Fund** |
| **Fund name** | **Old Mutual Property Fund** | **Henderson UK Property OEIC** |
| **Unit / Share class** | **Class A (GBP) Accumulation Units and  Class A (GBP) Income Units** | **Class A Accumulation and Income** |
| **Currency** | Sterling | Sterling |
| **Initial charge** | 5.00% | 5.00% |
| **Ongoing charges** | Class A (GBP) Accumulation Units – 2.48%  Class A (GBP) Income Units – 2.50% | 1.80% |
| **Annual management charge** | 1.35% | 1.50% |
| **Trustee / Depositary fee** | Periodic fee of 0.0105% per annum  Transaction Charges: £5 to £550  Custody Charges: 0.005% to 3% per annum | 0.02% for the first £200m and 0.015% for the remaining balance per annum  Transaction Charges: £8 to £80  Custody Charges: 0.0022% to 0.5% per annum |
| **Annual administration fee** | Between 0.03% to 0.49% per annum | 0.14%+ |
| **Minimum single investment amount** | £1,000 | £1,000 |
| **Minimum additional investment amount** | £500 | £100 |
| **Minimum withdrawal amount** | Subject to minimum holding below | £100 |
| **Minimum balance** | £1,000 | £1,000 |
| **Switch charge** | 0% | 0% |
| **Minimum regular payment** | N/A | £100 |
| **Minimum additional regular payment** | N/A | N/A |
| **Exit charges\*** | NIL | Up to 3 % if Shares redeemed within 90 days of purchase |
| **Pricing** | Forward pricing basis | Forward pricing basis |
| **Accounting date** | 31 March | 31 May (annual)  30 November (semi-annual)  Last day of February and 31 August (interim) |
| **Income allocation/accumulation date** | 31 May and 30 November | 31  January, 30 April, 31 July and 31 October |

\* Although the Manager and ACD reserve the right to charge an exit fee, this is at their discretion.

|  |  |  |
| --- | --- | --- |
|  | **Discontinuing Fund** | **Continuing Fund** |
| **Fund name** | **Old Mutual Property Fund** | **Henderson UK Property OEIC** |
| **Unit / Share class** | **Class R (GBP) Income Units, Class S (GBP) Income Units and Class U1 (GBP) Income and Accumulation Units** | **Class I Accumulation and Income** |
| **Currency** | Sterling | Sterling |
| **Initial charge** | 5.00% | 0% |
| **Ongoing charges** | Class R – 1.55%  Class S – 2.03%  Class U1 – 1.50% | 0.98% |
| **Annual management charge** | Class R – 0.75%  Class S – 1.15%  Class U1 – 0.675% | 0.75% |
| **Trustee / Depositary fee** | Periodic fee of 0.0105% per annum  Transaction Charges: £5 to £550  Custody Charges: 0.005% to 3% per annum | 0.02% for the first £200m and 0.015% for the remaining balance per annum  Transaction Charges: £8 to £80  Custody Charges: 0.0022% to 0.5% per annum |
| **Annual administration fee** | Between 0.03% to 0.49% per annum | 0.075%+ |
| **Minimum single investment amount** | Class R - £5,000,000  Class S - £100,000  Class U1 – £75,000,000 | £3,000,000 |
| **Minimum additional investment amount** | Class R - £100,000  Class S - £10,000  Class U1 – £500,000 | £10,000 |
| **Minimum withdrawal amount** | Class R - £50,000  Class S - Subject to minimum holding below Class U1 - £500,000 | £10,000 |
| **Minimum balance** | Class R - £2,500,000  Class S - £10,000  Class U1 - £37,500,000 | £3,000,000 |
| **Switch charge** | 0% | 0% |
| **Minimum regular payment** | N/A | N/A |
| **Minimum additional regular payment** | N/A | N/A |
| **Exit charges\*** | NIL | Up to 3 % if Shares redeemed within 90 days of purchase |
| **Pricing** | Forward pricing basis | Forward pricing basis |
| **Accounting date** | 31 March | 31 May (annual)  30 November (semi-annual)  Last day of February and 31 August (interim) |
| **Income allocation/accumulation date** | 31 May and 30 November | 31  January, 30 April, 31 July and 31 October |

|  |  |  |
| --- | --- | --- |
|  | **Discontinuing Fund** | **Continuing Fund** |
| **Fund name** | **Old Mutual Property Fund** | **Henderson UK Property OEIC** |
| **Unit / Share class** | **Class U2 (GBP) Accumulation Units and  Class U2 (GBP) Income Units** | **Class U2 Accumulation and Income** |
| **Currency** | Sterling | Sterling |
| **Initial charge** | 5.00% | 0% |
| **Ongoing charges** | 1.42% | 0.79% |
| **Annual management charge** | 0.60% | 0.60% |
| **Trustee / Depositary fee** | Periodic fee of 0.0105% per annum  Transaction Charges: £5 to £550  Custody Charges: 0.005% to 3% per annum | 0.02% for the first £200m and 0.015% for the remaining balance per annum  Transaction Charges: £8 to £80  Custody Charges: 0.0022% to 0.5% per annum |
| **Annual administration fee** | Between 0.03% to 0.49% per annum | 0.045%+ |
| **Minimum single investment amount** | £250,000,000 | £250,000,000 |
| **Minimum additional investment amount** | £1,000,000 | £1,000,000 |
| **Minimum withdrawal amount** | £500,000 | £500,000 |
| **Minimum balance** | £125,000,000 | £125,000,000 |
| **Switch charge** | 0% | 0% |
| **Minimum regular payment** | N/A | N/A |
| **Minimum additional regular payment** | N/A | N/A |
| **Exit charges\*** | NIL | Up to 3 % if Shares redeemed within 90 days of purchase |
| **Pricing** | Forward pricing basis | Forward pricing basis |
| **Accounting date** | 31 March | 31 May (annual)  30 November (semi-annual)  Last day of February and 31 August (interim) |
| **Income allocation/accumulation date** | 31 May and 30 November | 31  January, 30 April, 31 July and 31 October |

+ The annual administration fee in relation to the Continuing Fund is a “General Administration Charge” and reimburses the ACD for a range of different expenses incurred in operating the Continuing Fund as detailed in the Fund’s Prospectus. The annual administration fee in relation to the Discontinuing Fund is narrower and only covers administering the Fund, including fund accounting, tax and pricing functions.

\* Measured over the year to 31 December 2013.

\*\*Manager/ACD estimate.

**The Structure**

The Discontinuing Fund is an authorised unit trust and is governed by a trust deed made between a manager and a trustee. The money invested by unitholders is pooled together and invested in a range of permitted investments. These investments are the property of the unit trust and are held on trust by the trustee for the benefit of unitholders. The nature of each unitholder’s right to participate in the property of the unit trust and any income which arises from it is that of a beneficial interest under a trust.

Authorised unit trusts are governed by the terms of the Sourcebook.

The Discontinuing Fund is authorised by the FCA and constituted by a trust deed made between Old Mutual Investment Management Limited (as manager) and National Westminster Bank Plc (as trustee). The Trust is a non-UCITS retail scheme which complies with the Sourcebook, which means that there are certain investment regulations which it must follow.

The Continuing Fund is incorporated as a stand alone open-ended investment company with variable capital under the Open-Ended Investment Companies Regulations 2001. These regulations establish a separate corporate regime for the operation of open-ended investment companies. An ICVC is structured as a company and is governed by an instrument of incorporation, which is similar to the memorandum and articles of association of a Companies Act company. This means that an ICVC has many of the usual characteristics of a company - for example, a separate corporate identity, directors and shareholders. Shareholders in the ICVC do not themselves own the property of the ICVC, rather they own shares in the ICVC, which gives them a number of legal rights.

An ICVC is established under the Open-Ended Investment Companies Regulations 2001 and is also authorised by the FCA under the terms of the Sourcebook.

The Continuing Fund has been authorised by the FCA as a non-UCITS retail scheme which complies with the Sourcebook, which means that there are certain investment regulations which it must follow.

Full details are contained in the Prospectus which can be obtained on request from the ACD.

For both units in a unit trust and shares in an ICVC, the price of each unit/share is directly related to the value of the underlying investments.

1. .
   1. CONSENTS, CLEARANCES AND DOCUMENTS AVAILABLE FOR INSPECTION
   2. The Trustee

In accordance with normal market practice, the Trustee, whilst expressing no opinion on the merits of the proposals set out in this document, has informed the Manager by letter that it consents to the references made to it in this document in the form and context in which they appear (the “Consent Letter”). Whether to vote for or against the Extraordinary Resolution is a matter for the judgement of each Unitholder in the Discontinuing Fund and the confirmation is, therefore, not a recommendation as to the manner in which a Unitholder should vote.

* 1. The ACD

The ACD as authorised corporate director and alternative investment fund manager of the Continuing Fund, confirms that, in its opinion, the receipt of property under the Scheme by the Continuing Fund is not likely to result in any material prejudice to the interests of shareholders in the Continuing Fund and is consistent with the objective of the Continuing Fund and can be effected without any breach of the Sourcebook.

* 1. The FCA

The FCA has been informed of the proposal contained in this document and has confirmed that the implementation of the proposal as set out in this document will not affect the continuing authorisation of the Continuing Fund as an authorised fund.

* 1. Documents Available for Inspection

Copies of the following documents will be available for inspection at Millennium Bridge House, 2 Lambeth Hill, London EC4V 4AJ during normal business hours (excluding Saturdays, Sundays and public holidays) until the approved Scheme becomes effective:

4.1 Incorporation Documentation of the Funds;

4.2 reports and accounts for the last two accounting periods for the Funds;

4.3 the Prospectus and the NURS KII relating to the Funds;

4.4 the approval of the FCA referred to above under “The FCA”; and

4.5 the Consent Letter referred to above under “The Trustee”.

1. 1. Notice of Extraordinary General Meeting of Unitholders

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Unitholders in Old Mutual Property Fund (the “**Fund**”) will be held at Old Mutual Investment Management Limited, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4AJ on 27 November 2014 at 10 am to consider and, if thought fit, to pass the following resolution which will be proposed as an Extraordinary Resolution:

**Extraordinary Resolution**

THAT the Scheme of Arrangement of the Fund (“**Scheme**”) contained in a document dated 12 November 2014 and addressed by Old Mutual Investment Management Limited to the Unitholders in the Fund (the “**Circular**”) (a copy of which has been produced to the meeting and initialled by the Chairman for the purpose of identification) be and the same is hereby approved and accordingly that National Westminster Bank Plc as Trustee of the Fund and Old Mutual Investment Management Limited as Manager of the Fund respectively be and they are hereby authorised to implement and give effect to the said Scheme subject to satisfaction or waiver (as appropriate) of the conditions set out in the Circular and to the exclusion of any contrary provision in the documents governing the Fund.

Dated: 12 November 2014

Old Mutual Investment Management Limited

Registered Office:

Millennium Bridge House

2 Lambeth Hill

London

EC4V 4AJ

**NOTES:**

* 1. A Unitholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not also be a Unitholder.
  2. To be valid, a Form of Proxy, any power of attorney or other authority under which the Form of Proxy is signed (or a copy thereof certified by a solicitor) must be lodged with Old Mutual Investment Management Limited, Millennium Bridge House not less than 48 hours before the time of the meeting or any adjourned meeting. A Form of Proxy is enclosed. Forms of Proxy completed for use at the original meeting will remain valid for any adjourned meeting.
  3. The quorum for a meeting of Unitholders is two holders present in person or by proxy who were Unitholders of the Discontinuing Fund on the date seven days before the notice of meeting was sent out but excluding those who are known to the Manager not to be Unitholders at the time of the meeting. Except in any case where the Manager holds Units on behalf of or jointly with a person who, if himself the sole registered holder, would be entitled to vote, and from whom the Manager has received voting instructions, Units held or deemed to be held by the Manager are not taken into account as being in issue nor may the Manager vote or be counted in the quorum. The majority required for the passing of the Extraordinary Resolution is 75% or more of the total number of votes cast for and against such resolution.
  4. At the Meeting the vote will be taken by poll. On a poll, each Unit will carry that proportion of the total number of votes exercisable in respect of Units as is equal to the proportion which the price of one Unit bears to the aggregate price of all Units.
  5. Votes may not be cast by the Manager (or any associate of the Manager), except in any case where the Manager, or any such associate, hold Units on behalf of or jointly with a person who, if himself the registered holder, would be entitled to vote, and from whom the Manager or the associate has received voting instructions. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

APPENDIX E.

* 1. Old Mutual Property Fund (the “Fund”)

**FORM OF PROXY**

For use in connection with the Meeting of Unitholders in the Fund to be held on 27 November 2014 at 10 am and at any adjournment thereof.

Name: ........................................................

Address: ........................................................

…….…………………………………

…….…………………………………

Post Code …..………………………………......

Account Number: .............................................

Number of Units: ……………………

Designation: …………………………………….

I/We being a Unitholder/s of the Fund hereby appoint the Chairman of the Meeting or .................................................................................. (see Note 1) to act as my/our proxy at the Meeting of Unitholders to be held on 27 November 2014 (and at any adjournment thereof) and to attend and vote on a poll for me/us and in my/our name(s) on the Extraordinary Resolution set out in the Notice of Meeting dated 12 November 2014 as indicated below.

**EXTRAORDINARY RESOLUTION:**

THAT the Scheme of Arrangement of the Fund (“**Scheme**”) contained in a document dated 12 November 2014 and addressed by Old Mutual Investment Management Limited to the Unitholders in the Fund (the “**Circular**”) (a copy of which has been produced to the meeting and initialled by the Chairman for the purpose of identification) be and the same is hereby approved and accordingly that National Westminster Bank Plc as trustee of the Fund and Old Mutual Investment Management Limited as manager of the Fund respectively be and they are hereby authorised to implement and give effect to the said Scheme subject to satisfaction or waiver (as appropriate) of the conditions set out in the Circular and to the exclusion of any contrary provision in the documents governing the Fund

**FOR AGAINST** (see Notes 2 and 3)

Signature(s): ..................................................... Dated: ...........................................................

..................................................... ...........................................................

Please return to:

Old Mutual Investment Management Limited, Millennium Bridge House, 2 Lambeth Hill, London, EC4V 4AJ

**NOTES:**

* 1. If you wish to appoint someone other than the Chairman of the Meeting please delete “the Chairman of the Meeting or” and insert in the place provided the name and address of your appointee. A proxy need not be a Unitholder but must attend the Meeting or any adjourned Meeting in person to represent you. The amendment must be initialled.
  2. Please indicate with a cross in the appropriate box above how you wish your votes to be cast in respect of the Resolution. If you do not do so your proxy will vote or abstain at his discretion. If you are acting as a nominee holder of Units and wish your votes to be split please indicate in each box how many Units are being voted for the Resolution and how many are being voted against the Resolution.
  3. In the case of a corporate body this Form of Proxy must be executed under seal or under the hand of an officer or attorney authorised in writing to sign on its behalf.
  4. In the case of joint Unitholders, any such Unitholder may sign but, in the event of more than one tendering votes, the votes of the Unitholder whose name stands first in the Register of Unitholders will be accepted to the exclusion of the others.
  5. To be valid, this Form of Proxy must be completed and together with any power of attorney or other authority under which it is signed (or a copy thereof certified by a solicitor), must be lodged at the address printed on it at least 48 hours before the time of the Meeting or any adjourned Meeting.
  6. Appointing a proxy does not preclude you from attending and voting in person at the meeting or any adjourned meeting.
  7. To allow effective constitution of the Meeting, if it is apparent to the Chairman that no Unitholders will be present in person or by Proxy other than by proxy in the Chairman’s favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Unitholder provided that such substitute proxy shall vote on the same basis as the Chairman would have voted.