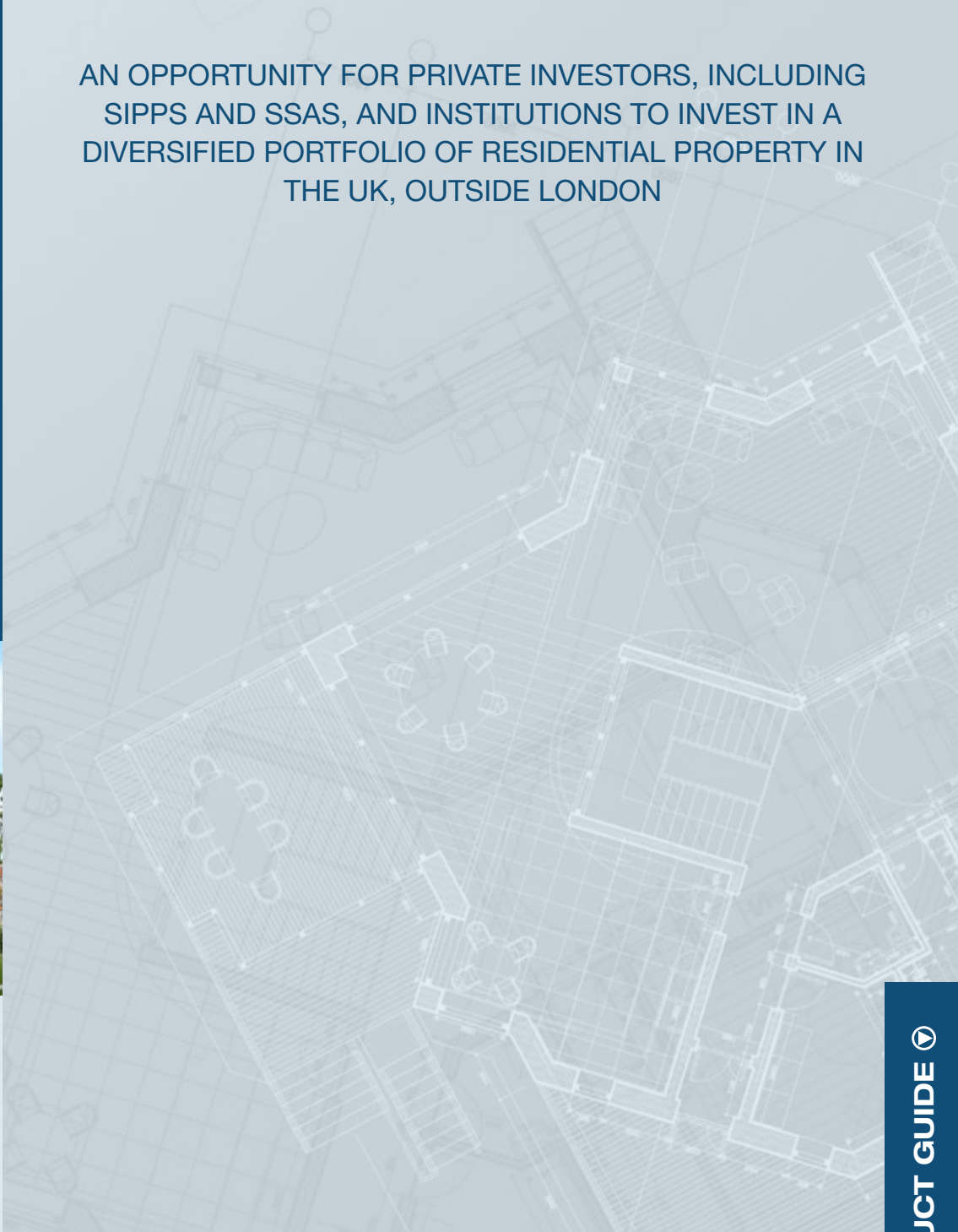




RESIDENTIAL PROPERTY RECOVERY FUND

LIMITED PARTNERSHIP

AN OPPORTUNITY FOR PRIVATE INVESTORS, INCLUDING
SIPPS AND SSAS, AND INSTITUTIONS TO INVEST IN A
DIVERSIFIED PORTFOLIO OF RESIDENTIAL PROPERTY IN
THE UK, OUTSIDE LONDON



RESIDENTIAL PROPERTY
ASSET MANAGEMENT

gallium
fund solutions

Gallium Fund Solutions Limited is authorised and regulated by the Financial Services Authority

“It was the best of times, it was the worst of times ...
it was the spring of hope, it was the winter of despair...”

(Charles Dickens, A Tale of Two Cities)

PRODUCT GUIDE



KEY FEATURES

► An opportunity to acquire residential property whilst sentiment is weak

- with prices at near 50% discounts to 2007 levels
- at close to build cost
- at discounts to RICS valuations of circa 25%
- gross yields of 8%

► An opportunity to benefit from

- attractive market timing
- distressed stock purchases
- the Fund Manager's strong track record

► A quality diversified portfolio of residential property in the UK, outside London

► The Fund intends to deliver long-term low-risk returns through acquiring, holding and disposing of residential property within a conservatively geared and well-managed investment vehicle

► Target Indicative return of 16% per annum

- Through the Fund Manager's purchasing, trading, refurbishment and pro-active management skills
- more than doubling investor's monies over the life of the Fund

► Tax efficient and transparent UK Limited Partnership

► Available to private investors, including SIPPs and SSAS, and institutions

► The life of the Fund will be 5 years

► The fund is seeking to raise £10million of investor subscriptions which with borrowing will create a maximum Fund size of £26.3 million

► Directors of the Fund Manager, RPAM are personally investing in the Fund

THE MARKET OPPORTUNITY

- ⌚ Prices at 50% plus discounts to peak 2007 levels and close to build cost.
- ⌚ Prices at “75p in the £”; 25% discounts achievable to current valuations.
- ⌚ High gross yield: 8% target and strong tenant demand.
- ⌚ Attractive buying opportunities due to rise in repossessions and receiverships.
- ⌚ Negative sentiment provides a window of opportunity to accumulate a diversified portfolio of quality residential units.
- ⌚ Underlying UK housing demand remains strong, whilst supply of new build homes falls far short of Government targets giving long term price support.
- ⌚ Interest Rates are historically low, making borrowing cheap, creating a positive yield gap for residential property investment.
- ⌚ Property is an attractive asset class with strong historical performance and lower volatility.
- ⌚ A lack of attractive alternative investment opportunities; cash, gilts, equities and hedge funds.





INVESTMENT STRATEGY

The investment strategy seeks to maximise the rental income and capital growth potential of the Fund.

DISTRESSED OR MISPRICED ASSETS

The Fund aims to maximise the returns to Investors through well researched acquisitions at substantial discounts to their valuations.

DIVERSIFICATION

The Fund seeks to reduce risks through diversification by geographic location, build type (existing stock and new build), property type (family houses, one and two bed apartments) and tenant profile.

MIDLANDS AND NORTHERN ENGLAND

The Fund will focus on areas outside of London, principally the Midlands and Northern England that the Fund Manager believes will benefit from regeneration and inward investment. This acts as a catalyst encouraging capital appreciation outperformance and thereby outperforming the wider UK market over the life of the Fund.

TIMING

The Fund intends to purchase properties over a 6 month period. It is intended that the portfolio will benefit from a return of confidence (and lending) in the market.

PROPERTY MANAGEMENT

Through pro-active lettings and management the portfolio will be worked to produce an attractive rental yield, whilst benefitting from the security of income of a large diversified portfolio. By sound maintenance and refurbishment, further value will be added, amplifying returns further.

BUYER OF CHOICE

The Fund, by having access to cash will have the “purchasing power” to be buyer of choice, with the ability to act quickly and efficiently in the market ensuring maximum discount at purchase.

FINANCIAL RETURNS

The table below shows indicative investor returns as projected from the financial model:

Investment Returns	%	Comment
Investor’s Priority Return IRR	8% per annum	Increases £100,000 to £147,000
Investor’s Anticipated Return	16% per annum IRR	Increases £100,000 to £210,000



EXAMPLE PROPERTY -

(new build developer stock in Leicestershire)

A freehold block of six, 2 bedroom apartments purchased from a developer for a retained client. The list price for these six apartments was £750,000. A RICS valuation was obtained for £555,000 and the purchase for the freehold interest was agreed at £390,000 – showing a 48% discount to list price a, 30% discount to valuation; now fully let, showing a gross yield of 8.5%.

THE MANAGEMENT TEAM

The Investment opportunity resides in the ability of the Fund Manager to identify attractive opportunities for investment within its sphere of expertise.



The Fund Manager: Residential Property Asset Management Limited (RPAM)

RPAM is an independent fund management organisation. The main emphasis of the business is the management of UK residential property portfolios for high net worth investors and institutions.

The directors were responsible for growing Residential Property Group (RPG) into a leading independent residential property agency business based in the Midlands and the North of England.

The directors have overseen the purchase and management of more than £200 million of residential property throughout the UK on behalf of their clients. RPAM has the skills, expertise and strong track record combined with the agency skills to deliver the financial and operational objectives of the fund.



The Property Agent: Residential Property Group Limited (RPG)

RPG founded in 2002, is based in the East Midlands and offers a “turnkey” solution for residential property investment.

RPG has a dedicated focus on and strong track record in residential investment management and advisory services.

RPG also has an 8 year track record of sourcing residential property in the Midlands and the North of England.

RPG has in-depth experience of lettings and pro-active management.



THE RESIDENTIAL PROPERTY ASSET MANAGEMENT MANAGEMENT TEAM

Robert Brown - Executive Director

Robert worked in investment banking with Robert Fleming in London and New York, followed by JPMorgan Securities, New York where he held the title of Vice President. In 2002 he established the property agent, Residential Property Group Ltd. Since 2002 he has overseen the organic growth of the company to a leading property agency in the Midlands and North East. Robert has extensive experience in both finance and property.

James Turcan - Executive Director

James, joined Meyer International PLC in 1994 and was part of a management buy-out forming MLM. In 2001 he completed an MBA at London City University. In 2002 he established the property agent, Residential Property Group Ltd. Since then he too has overseen organic growth of the company to a leading property agency in the Midlands and North East. James has extensive experience in both property and project management.

Barney Buik - Executive Director

Barney worked in finance prior to establishing a number of small companies operating in the UK and US. He joined Residential Property Group Ltd in 2006. Barney has extensive experience in business development.

David Chaplin - Non-Executive Director

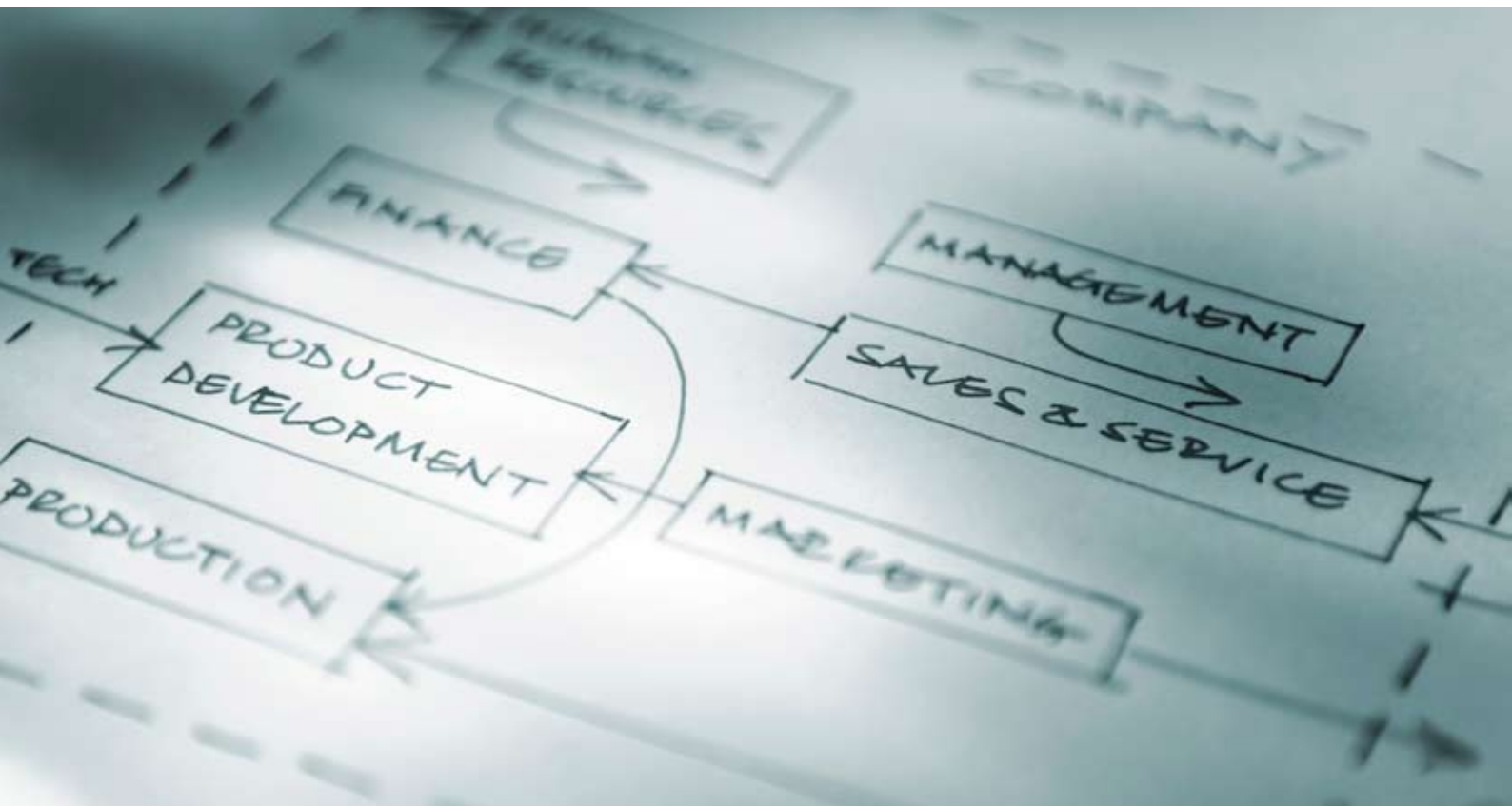
David is Vice-Chairman and co-founder of J O Hambro Investment Management. Previous employers include Mercury Asset Management and Rowan Investment Managers Limited.

Christopher Tabor Bsc MRICS - Non-Executive Director

Christopher was a senior director at ING Real Estate Investment Management. During his tenure at ING he was variously; Head of Fund Launches; Head of Retail Investor marketing and sales; and responsible for one of the UK's largest residential real estate funds and assisting in raising over £1bn for ING property funds. Christopher is a senior real estate executive with over 25 years experience in both the UK corporate and investment property markets.

Advisory Committee to RPAM:

This comprises of Sir Geoffrey Inkin MRICS, Peter Roberts FRICS and Simon Ronan. Through their many years of experience in finance, property investment and business in general they are an invaluable source of information, guidance and advice to the Fund Manager.



IMPORTANT INFORMATION

Minimum Investor Holding

£25,000 being 25 participations in the Partnership or 25 units in the Trust (otherwise by express agreement with Gallium Fund Solutions Limited, the Operator of the Scheme). Participations in the Fund or units held within the EPUT are available in minimum lot sizes of £25,000 and in multiples of £1,000 thereafter.

Minimum Fund Size

£6.4 million that includes £2.5 million of investor subscriptions.

Investment Criteria

Aim for minimum Gross Yield of 8% - Aim to purchase at 25% discount to valuation; being buyer of choice - Aim to purchase at below national average house price.

Loan to Acquire Properties

Estimated at 65% of the value of property purchased. To minimise interest costs to the Fund the Bank Loan will only be drawn once there has been near full utilisation of the then investor funds. All the loan facilities are to be limited recourse.

Gearing

It is the intention of RPAM that the level of long-term debt in the Fund should ultimately be in the range 50-65% of loan-to-property value. A non recourse loan will be obtained on terms to be negotiated and advised by the General Partner. In the event of default, the Bank will have recourse back to the Fund's assets only.

Annual Asset Management Fee

RPAM will receive an annual management fee of 1.6% of the gross asset value of the Fund. (Please see Costs & Fees in the Information Memorandum).

Risk Factors

Investment in the Fund carries a certain degree of risk. (Please see Risk Factors in the Information Memorandum).

Acquisition Dates

It is intended to commit to acquire the properties from August 2009 onwards or when investor funds properly allow.

First Closing Date of the Fund

23rd April 2010

RELIANCE SHOULD NOT BE MADE SOLELY ON THIS DOCUMENT AND ALL INTERESTED INVESTORS SHOULD READ THE CONTENTS OF THE INFORMATION MEMORANDUM IN FULL, IN PARTICULAR, THE SECTION HEADED "NOTICE TO RECIPIENTS".



Please direct any queries regarding the Fund to:



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Prospective Investors who have questions concerning an investment in the Fund should contact their financial adviser, regulated under the FSMA. If an Investor does not have a financial adviser, please contact RPAM who will be able to refer one.

Fund Manager



Fund Operator



Legal Advisor



Valuer



Tax Advisor

