

The UK Logistics Fund

Quarterly update 30 June 2007

Overview

The UK Logistics Fund (the Fund) has returned 1.4% for Q2. For the year to date, the Fund returned 2.9%. Although the Fund's benchmark is IPD Distribution Warehouses excluding the UK Logistics Fund, for information purposes only, we have compared the Fund to the 'All pooled fund index' within the IPD UK Pooled Property Fund Index (IPD UK PFFI). The All pooled fund index includes both balanced and specialist funds.

	Q2 2007	2007 YTD
The UK Logistics Fund	1.4%	2.9%
IPD All pooled fund index	2.0%	4.5%

*Note: The Fund's benchmark is not available until six weeks after the quarter date.
Note: Total returns net of all fees. Source: IPD UK PFFI June 2007*

The Fund has underperformed due to the purchase costs associated with the Bardon acquisition and fund set-up costs.

Acquisitions and disposals

Innovate, Bardon, Leicester

During Q2, the Fund purchased the Innovate distribution warehouse unit in Bardon, Leicester for £48.2m. The unit is fully let to Innovate Holdings, logistics firm, on a 25 year lease commencing April 2007 with the added benefit of fixed uplifts. It is an excellent location for transport links makes this a strong strategic acquisition for the Fund.

Development

G-Park, Western Approach, Bristol

Currently Gazeley are developing two units on Plot 5000 with plans to construct one shed on Plot 8000 once a pre-let is achieved on the former location. Construction is underway on Plot 5000, on time and within budget. Completion is due for the end of October 2007.

Asset management

Central Gate, Birmingham

The Fund is currently negotiating with the existing tenant, Royal Mail, to extend the current lease from 11 years to 20 years and concurrently settle the March 2008 rent review. The regear is due to be completed within Q3.

Distribution warehouse market

The distribution warehouse market remains sound for well located, quality stock. Institutional funds continue to dominate the market for prime property with quality tenants and long leases. There is however, concern over rental growth going forward and a number of institutions are now seeking long leases with fixed RPI uplifts.

Expert Fund Status

The Fund was granted Expert Fund Status by the Jersey Financial Services Commission on the 22nd August 2007.

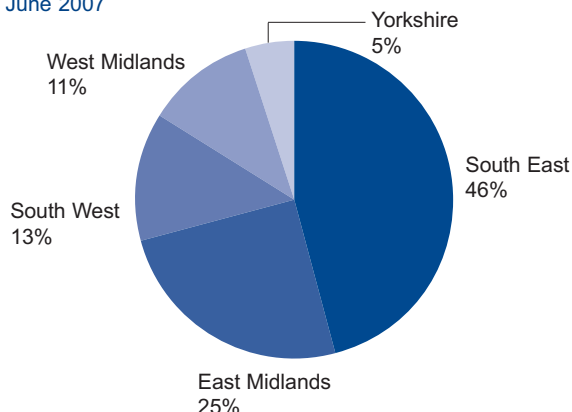


Royal Mail centre, Birmingham

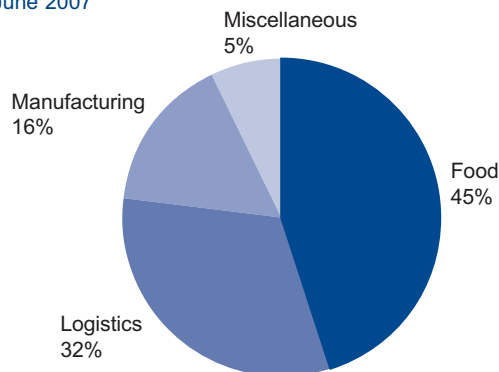
The UK Logistics Fund Location map at 30 June 2007



Regional location by capital value at 30 June 2007



Tenant user classification by net income at 30 June 2007



Source: Hermes Real Estate

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Key statistics

As at 30 June 2007

Fund value

Gross asset value:	£422.0m
Net asset value:	£298.1m
Number of assets:	13

Unitholder returns

2007 year to date return to Unitholders:	2.9%
Quarterly return to Unitholders:	1.4%
Unit price:	109.309p
Number of Unitholders:	3

Distribution

Distribution per unit (6 months to June 2007):	2.347p
Distribution per unit (Year to June 2007):	7.3670p
Distribution yield (Year to June 2007):	3.1%

Property portfolio

Portfolio net initial yield:	4.81%
Portfolio true equivalent yield:	5.69%
Portfolio reversionary yield:	5.21%
Portfolio void (based on ERV):	7.77%

Weighted unexpired lease term:	15.5 years
Gearing (based on gross asset value):	31%
Development as % of GAV	11%

Source: Hermes Real Estate - June 2007.

Top five holdings by value As at 30 June 2007

Asset	Lot size range
Hatfield Business Park	£50m - £75m
Sainsburys Depot Hoddeson	£50m - £75m
Innovate Way, Leicester	£25m - £50m
Units 1&2 Keypoint, Swindon	£25m - £50m
Ham Hill Distribution Centre, Snodland	£25m - £50m

Top five tenants by passing rent As at 30 June 2007

Asset	Locations	% Net income
Booker Belmont Wholesale Ltd	Hatfield & Swan Valley	23.8%
Innovate Holdings Ltd	Innovate Way, Leicester	13.0%
J Sainsbury PLC	Sainsburys Depot, Hoddeson	12.9%
Tesco Distribution Ltd	Ham Hill Distribution Unit	8.1%
Tibbett & Britten Ltd	Biscesster Distribution Unit	7.8%

Income expiry profile As at 30 June 2007

Lease expiry	% net income
0-5 years	5.2%
5-10 years	10.7%
10-15 years	26.3%
15-20 years	31.9%
20+ years	25.9%

Development profile As at 30 June 2007

Asset	Update	Cost	End Value
G-Park Sheffield	PC due September 2007	£23.6m	£31.0m
G Park Bristol	PC due October 2007	£21.6m	£27.6m

Source: Hermes Real Estate - June 2007.

About Hermes (Fund Manager)

Hermes Real Estate is the dedicated real estate subsidiary of Hermes. With assets of over £70 billion (as at 30 June 2007), Hermes is wholly owned by the largest pension scheme in the UK, the BT Pension Scheme, giving its real estate investment perspective a unique alignment with other long-term investors.

Hermes Real Estate is one of the largest real estate managers in the UK, with £12 billion of gross assets under management (as at 30 June 2007). Lead by Alasdair Evans and Tim Turnbull, Hermes Real Estate has been the Fund Manager since inception in 2006. As Fund Manager Hermes Real Estate oversees all aspects of the fund reporting, corporate governance, debt and investor relations.

Important Information

This presentation has been specially designed for a targeted collection of recipients for the sole purpose of providing information about investment in the UK Logistics Fund Unit Trust (the "Trust") and/or the [UK Logistics] Limited Partnership ("the Partnership") and together (the "Fund"). It is directed at persons having professional experience of investing in unregulated collective investment schemes (and other persons to whom the presentation may lawfully be communicated). The units to which this presentation relates will be available only to such persons. Persons who do not have professional experience in participating in unregulated schemes should not rely on this presentation.

This document does not constitute or form any part of an offer or invitation to purchase or subscribe for or otherwise acquire any interest in the Fund (including, without limitation, any units in the Fund) nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in conjunction with, the purchase or subscription or acquisition in any other way of any units or interests in the Fund. No reliance may be placed on the information or opinions contained in this presentation for any other purpose whatsoever and no responsibility or liability is accepted for such information or opinions.

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