



Real Estate Private Equity Fund (2 year)

Launch – Sept 07

Overview

Echelon continues to enjoy demonstrable success in both of its core markets, London and Dubai by investing with confidence through in house financial modelling. Echelon has achieved a consistent ROI of 20-30% across its trading portfolio.

Echelon view both London and Dubai markets as volatile and therefore offering significant opportunity. Echelon has selected a number of low risk, high yielding commercial investments that will offer superior returns to its subscribers.

Opportunity

Echelon is launching its 3rd bespoke Private Equity Fund for up to 10 subscribing investors, **offering a yield of 7% p/a over 2 years with a further up to 4% kicker on maturity if the fund achieves a 20% ROI p/a hurdle.**

Echelon will manage this fund at a cost of 5% p/a paid quarterly in advance.

Echelon has identified two markets, Dubai and London that offer solid and flexible ROI's due to the characteristics of each market and the global market as a whole. The hedge of pitching one market off the other has 3 primary benefits:

- o Currency gain
- o Stability of London property and the Olympics
- o Dramatic growth and demand of office space in Dubai

The Team

The Echelon's property investment team have considerable depth and strength of investing, trading, developing and marketing commercial property both in London and Dubai. Cumulative previous experience include the following organisations:

- o Goldman Sachs – Whitehall Real Estate Fund
- o Land Securities Plc
- o Alfred McAlpine Plc
- o JP Morgan – Fund Management

Jesdev Sagggar CEO – *'This fund represents the first, fair value, low risk, high return investment fund ever launched in the UK. Spanning two dynamic markets and offering true ownership and auditable transparency. Echelon has put together a compelling opportunity for the market and we look forward to exceeding the expectations of our subscribers'*

Strategic Partners

- o Hypo Real Estate - Dubai
- o Coutts & Co – UK
- o Richards Butler – Dubai
- o Lovells – UK
- o Deloitte – UK and Dubai

Dubai

Echelon will be focussed on 'Business Bay' in the heart of Dubai for commercial investment. Business Bay will be a replica of Manhattan and Canary Wharf and is a 15 year master development scheme. Echelon forecast sqft prices to escalate beyond the current 1,300aed rate to over 2,500aed. This offers a superior trading opportunity in a tax free zone. The rental yields for the space is approx. 24% p/a this again offers superior yield compression returns.

London

Echelon will be focussed on TW5 and the surrounding postcode. This is an overtly undervalued area for commercial investment. Echelon forecast sqft prices to escalate beyond the current £200 rate to over £250. Change of use consents and lettings will add to the already superior trading returns.

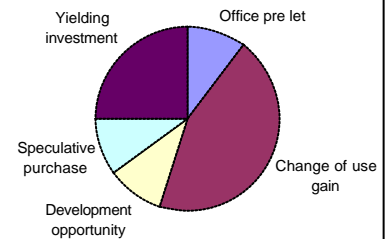
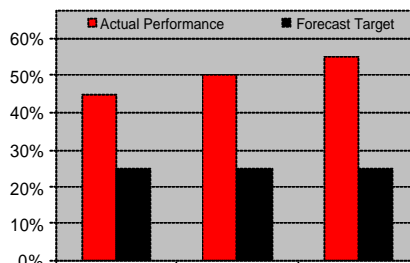
Fund Strategy, in pipeline:

- o A 253k sqft office Tower in Business Bay, Dubai – strategy – trade
- o A 27k sqft office building, Hounslow London – strategy – let and trade
- o A 17k sqft office building, Langley London – strategy – change of use and trade

The 3 properties above demonstrate a real and executable pipeline with a predictable cash to cash cycle of 12 months and a target ROI of +20%.

Performance Chart

Echelon has consistently over performed against forecast ROE. A combination of flexible property strategies, agility and skill of execution as well as understanding true market dynamics has meant beating expectations, even under challenging circumstances, has always been Echelon's edge. The charts below illustrate Echelon's fund performance 06-08 and investment type.



Fund details

The fund will be held in a tax efficient structure that will invest together with leveraged debt (upto £120m) into the Fund Strategy. The fund will be collapsed on or before its 2nd anniversary and all 'coupons' and 'kickers' will be paid on collapse. This is a security backed fund and Echelon is underwriting the equity subscription for the term.

The SPV and Fund will be managed by Echelon Capital Partners for the term under contract.

Contact

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£15m (leveraged fund)

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