



TRITO INVESTMENTS FUND LTD

INVESTORS

NEWSLETTER

PERIOD ENDED

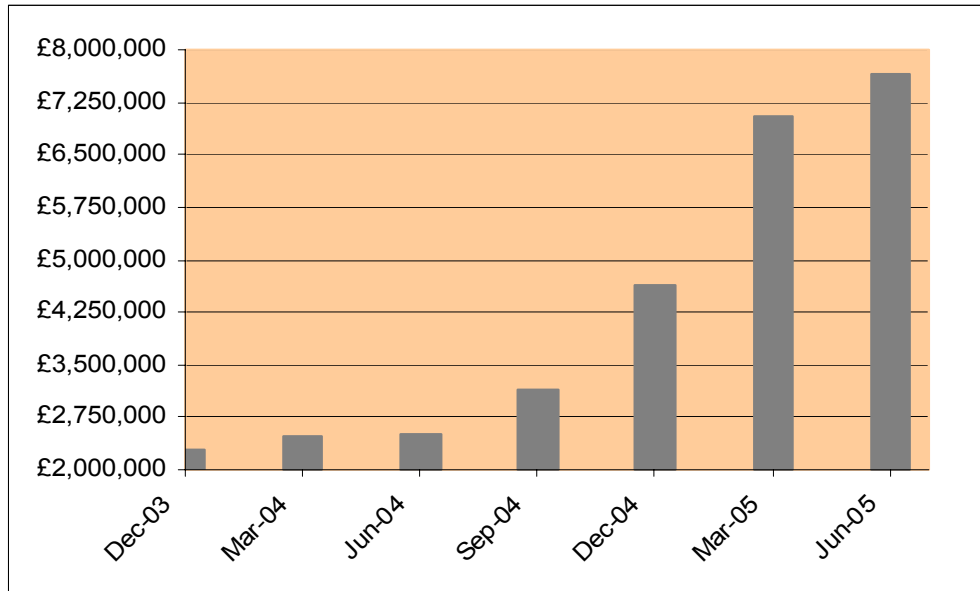
30 JUNE 2005

**Prepared by: Corovest Fund Managers Limited
("CFM" or "The Fund Manager")**

1. **Background**

Trito is a mutual fund registered in the BVI, focussed on investment in real estate assets. The fund was opened to investors in October 2003 and currently has a net asset value of £7,7m.

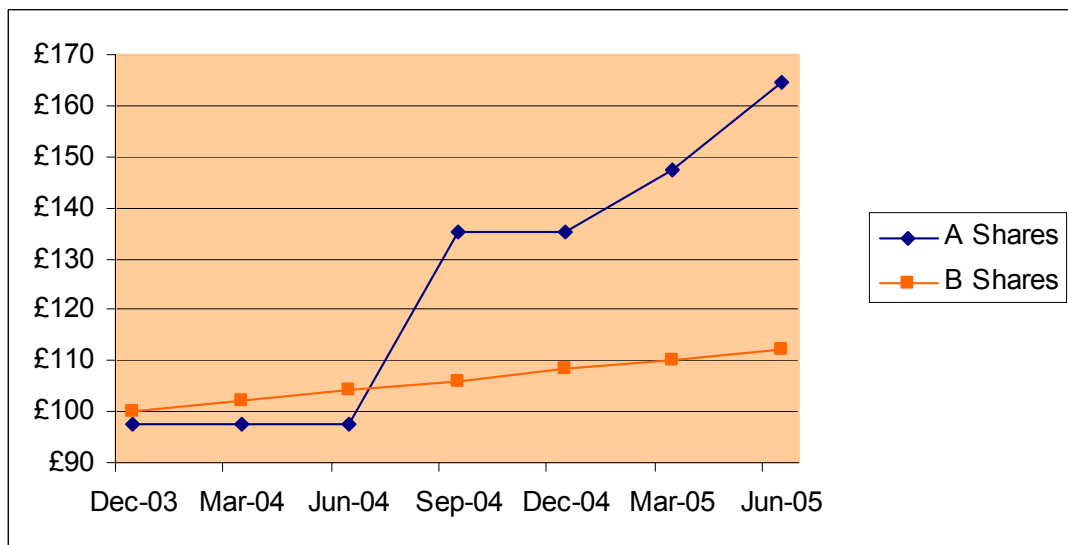
The fund has grown considerably since launch as shown graphically below:



Trito Net Asset Value (A & B Shares combined)

2. **Performance of Fund**

The unit price performance for the funds A and B shares is set out graphically below:



The fund achieved a return for the 12 months to 30 June 2005 of 67,91% for A shares and 8,00% for the B shares. The total aggregate return of the fund for the year ended

30 June 2005 was 37,93%. The performance for the quarter ended 30 June 2005 was 8,85%

Trito currently owns gross assets of over £32,0m.

3. **Conversion of B Shares**

At launch Trito was structured with two classes of shares:

- A shares giving capital growth only; and
- B shares paying 2% quarterly distribution with no capital growth.

Due to the limited ongoing demand for B shares and the fact that the majority of existing holders supported their phasing out, all B shares were converted to A shares on 1 July 2005 (ex-dividend).

From this date no further B shares will be offered to investors.

4. **Highlights for the Period Ended 30 June 2005**

4.1 Kwik-Fit Portfolio



Hamilton

The acquisition of the Kwik-Fit portfolio was completed on 4 February 2005.

The portfolio has performed above expectations and a number of development opportunities to enhance value in the portfolio through development are being considered.

4.2 Petersfield



Trito completed the acquisition of a 50% stake in Trito Petersfield Limited ("TPL") on 26 April 2005. TPL is the special purpose vehicle set up to own the property 15 – 17 The Square, Petersfield, Hampshire.

Negotiations are at an advanced stage with two blue chip retail tenants to occupy the ground floor on two 15 year fully maintaining and repairing leases. A planning application is to be submitted to the local authority for rights to convert the upper floors to residential.

4.3 Banstead



Planning approval was obtained for the construction of 12 new residential units during the period. Building work is expected to commence during August 2005 and will be completed by the second quarter of 2006.

4.4 Newport

In April 2005 the Newport City Council chose Trito subsidiary Modus Corovest (Newport) Limited ("MCNL") as the preferred developer to transform the retail centre of Newport into a major shopping destination.

The redevelopment will incorporate the existing properties owned by the fund and on completion will provide:

- 36,200 m2 of new retail space;
- 9,750 m2 department store;
- 5,000 m2 of leisure;
- 137 residential units; and
- 1,400 car parking spaces.

The total project has a value of circa £200,0m and will be completed in time for the Ryder Cup, which is to be held in Newport in 2010.



Artist's Impression of Newport Redevelopment

Further information can be obtained from the Trito website (www.trito.biz).

5. **Future Prospects**

5.1 New Acquisition

The Trito board has approved the acquisition of a 25% stake (with co-investors taking up the remaining 75%) in two retail properties located in Switzerland. The properties are let to the Coop Supermarket Group one of Switzerland's largest retailers on 15 and 20 year leases respectively.

The transaction results in a net cash return to the fund of over 9% p.a.



The total acquisition cost to Trito for its 25% share is CHF1,500,000.

Further information on this acquisition can be obtained from mwatters@corovest.co.uk

5.2 The UK Property Market

A report by Citigroup Global markets which analyses the latest IPD¹ performance data for the UK market is attached as an annexure. The report makes interesting reading.

¹ Investment Property Databank

5.3 General

The Fund Manager is very satisfied with the performance of the fund for the period.

Although the UK market is expected to continue to show steady returns, a diversification strategy is to be followed, with opportunities in Europe (both old and new) being investigated.

Switzerland is the first investment that the fund will be making in Europe.

An update on further investment opportunities across Europe will be given in the next Investors Newsletter.

6. **Merger of Trito and Corovest International Real Estate Fund ("CIREF")**

CIREF is currently Trito's largest shareholder, with a holding of circa 70%.

The board of directors of Trito and CIREF are investigating the merits of merging the two funds.

The benefits of a merged fund to Trito investors would be, *inter alia*:

- A larger and more liquid fund (a future listing could result in even greater liquidity);
- Greater diversification of investments and a resultant spreading of risk;
- Tapping into CIREF's cash holding (currently $\pm£6,0m$);
- The ability to invest in larger properties that give potentially greater returns; and
- The ability to enter new geographical markets at reduced risk

In the event that the directors of Trito elect to proceed with a merger, existing shareholders will be given the opportunity of voting for or against the proposal.

7. **Further Information**

Full information on existing and future investment projects can be obtained from the Fund Manager. Contact either Peter Todd on +1 284 494 9820 and email peter@corovestbvi.com or Mike Watters on +44 207 389 8840 and email mwatters@corovest.co.uk. Alternatively contact Tracy Savides on email tsavides@corovest.co.uk.