Canada Life™

TREDAGH FINANCIAL SERVICES

overseeing your finances

The **Dusseldorf** Geared Property Fund

What is The **Dusseldorf** Geared Property Fund?

Canada Life invites investors to invest in The Dusseldorf Geared Property Fund, a prime office and retail property in Dusseldorf, Germany, located at Breite Strasse 3HOCH5.

The fund will combine investor's equity with borrowing in order to purchase the property. It is expected that the loan to value ratio will be in the region of 65% - 70%.

It is anticipated that the property will be held for an investment term of 7 years. Canada Life reserves the right to sell the property within 7 years or hold it for longer.

This investment opportunity can be accessed either through pensions or investment bonds.

IMPORTANT NOTE
This brochure contains essential information for anyone considering investing in the above property fund. It has been prepared by Canada Life and great care has been taken to ensure, in so far as is possible, that the information is accurate and current at the time of going to print. Please ensure that you read and understand the contents of this brochure and, in particular, the "Warnings" and "Risks" sections. If you have any queries relating to the content of this brochure please do not hesitate to consult with your financial advisor.

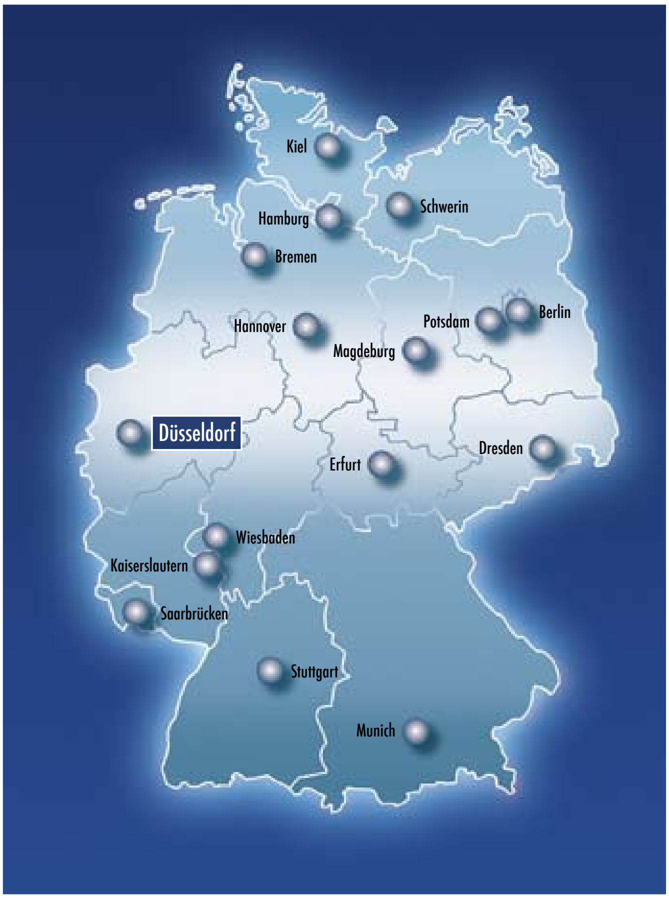
Property Location

Dusseldorf is the capital, and seat of government for Germany's most densely populated state, North Rhine Westphalia. Dusseldorf has a population of 570,000 and is the economic and cultural centre of the Rhine-Rhur region in which 9 million people live within a radius of 50km. It is the seventh largest city in Germany and home to 40,000 companies and has the second largest stock exchange in the country. It is one of the most important trade fair venues in the world with 43 international trade fairs each year. It has the third largest airport in Germany.

Dusseldorf is one of the three leading bank and consulting locations in Germany alongside Frankfurt and Munich. It is home to 170 German banks and 50 international banks. 17 of the 20 largest law firms in Germany also possess offices in Dusseldorf and it is Europe's most important centre for patent law procedures, and second only to Washington DC in the world.

Breite Strasse is the main street of the Central Business District; the top office sub-market in Dusseldorf. The property is located in the middle of the prominent banking district where the highest office rents in Dusseldorf are achieved. Besides the major German Banks, the banking district also houses the Handelsblatt publishing company, many international law firms, HSBC's German headquarters and the headquarters of auditing firm Ernst & Young. New and existing office supply is limited in this district making it the most sought after micro location in the City. In the immediate vicinity of the property are the regional headquarters of Dresdner Bank, Deutsche Bank, Commerzbank and Citybank.

Dusseldorf is known as the fashion capital of Germany and the building is situated in the immediate vicinity of Konigsallee, one of the finest shopping streets in the country with many top labels such as Gucci, Prada, Dolce & Gabana, Versace and Dior. Additionally, prestigious luxury hotels such as the Intercontinental, the Steigenberger Parkhotel and the New Breidenbacker Hof emphasize the exclusivity of the location. The building is also located close to the most central Dusseldorf underground station, Heinrich Heine-Platz.



Source: Canada Life European Real Estate



Property Description

The property comprises a new, recently completed office and retail development with accommodation on basement, ground and 6 upper floors providing a total gross floor area of 6,500 sqm. The ground floor retail space totals 830 sqm net whilst the offices extend to 3,850 sqm net lettable space. There are 18 car parking spaces in the basement. The design was commissioned from the well known Hamburg architects Bote Richter Teherani (BRT).

The property is a stylish office and retail building constructed to a high specification with a striking facade, including an exclusive entrance lobby to the offices, cooling via ceiling wall mounted radiators, sun protective anti-glare glazing with electronically operated external sunshades and openable panoramic windows. The clear ceiling heights are 2.90m for the offices and 3.90m for the retail. The office space is well designed and flexible and allows for lettings either floor by floor or part floors of as little as 200 sqm. There are two lifts from the basement to the upper floors travelling at 1.5m p/sec. The ground floor retail units are either side of the entrance lobby and provide units of 280 sqm and 550 sqm.

Tenant Profiles

CMS Hasche Sigle
CMS Hasche Sigle have taken a lease of the entire office accommodation along with basement storage of 144 sqm together with basement parking. CMS Hasche Sigle are the 5th largest law firm in Germany with offices throughout the country. Internationally the firm is represented in Belgrade, Brussels, Moscow and Shanghai. The firm covers the whole field of commercial law with its 1000 employees, and 480 lawyers. All 180 German partners are personally liable for the lease commitments under German Partnership regulations. Their turnover during 2006 was €160m in Germany alone. Their Credit Reform Solvency Index is 181 which is 'very good creditworthiness' as per this German Index. CMS Hasche Sigle is a member of CMS, an alliance of independent European law firms including Cameron McKenna in the UK.

IC Companys Germany GmbH
The German operation of the IC Company have taken the smaller of the two ground floor units and will operate the shop as a Tiger of Sweden franchise. Tiger of Sweden, the Swedish high class fashion label is opening its first flagship store in Germany and is seen today as one of the new stars of the fashion world. The IC Company is a Danish publicly listed fashion company with an 11 brand portfolio including Tiger of Sweden and they have 259 shops in 13 countries and a 2006 turnover of circa €405m. The German arm of the company had a turnover of €17.3m year ending 2006.

Baby Kochs GmbH & Co. KG
Baby Kochs have taken a lease of the other retail unit on the Ground Floor. Baby Kochs is a long established retailer of high end children's clothing with several decades of retailing experience in the Dusseldorf area where they have established a strong reputation. This is a well established, specialist retailer with a strong record with a turnover for the last reported financial year of €3.6m.

Source: Canada Life European Real Estate

Tenure

• CMS Hasche Sigle (CMS) lease will be for a term of 12 years from the day of handover expiring 31st March 2020 and they have an option to extend for two periods of 5 years each. The initial annual rent is €84,585.50 per month. The annual rent is subject to indexation and is adjusted by 100% of the change of Consumer Price Index (CPI) for Germany upon any change of CPI of more than 5%. The 18 car parking spaces in the basement level are leased entirely to CMS.

• IC Company Germany GmbH have taken a 6 year lease expiring 9th December 2013. Rent is €8,828 per month. There is an option to extend the lease for two further periods. Upon lease expiry, IC Company can extend the lease for a further 4 years. At the end of the additional 4 year period, they can extend it for a further 5 years at a market standard rent, capped at a 30% increase in the then passing rent. From the beginning of the second year of the Lease, there will be an annual indexation linked to 100% of the German Consumer Price Index.

• Baby Kochs GmbH & Co. KG will occupy on a 10 year lease expiring 23rd January 2018. Upon expiry, Baby Kochs has the option to extend for two further periods both for 5 years each. Rent is €19,250 per month. The rent payable is indexed at the beginning of each rental year by 100% of the change of Consumer Price Index in Germany.

Rent Free Periods

The rent commencement date of the CMS lease is 1st March 2009 and for IC Company (Tiger of Sweden) is 1st August 2008. A deduction from the purchase price was negotiated to cover these rent free periods and equals the shortfall between completion of the acquisition and the rent commencement date. The rent commencement date of the Baby Koch lease is 1st March 2009 and an amount of €60,000 has been deducted from the purchase price to cover some of this shortfall. Interest on the loan during these rent free periods will be covered by the deposit monies.

Source: Canada Life European Real Estate

Why should I Invest in The **Dusseldorf** Geared Property Fund?

- Opportunity to invest in a major city in Western Germany which has one of the highest standards of living in the country.

- Fully let investment with quality tenants offering income security for 6 - 12 years. CMS have a 12 year fixed lease which accounts for circa 75% of the rental income.

- Attractive gross initial yield on acquisition of 5.04% per annum. It is expected, with the indexation of rental income during the term of the leases, that this yield should increase.

- The property size gives investors access to a property that would not normally be accessible to individual investors.

- Experienced investment management will be provided by Canada Life European Real Estate (based in London) and supported by a professional German property manager.

- Borrowing will be at an attractive interest rate over the cost of funds.

How does it work?

Investors pay contributions into life or pension policies, which are in turn invested in The Dusseldorf Geared Property Fund. (Please refer to your financial adviser for the proportion of the contribution that will be allocated to the fund). In addition to owning the property (see below), the fund will have a small deposit element.

The Dusseldorf Geared Property Fund will purchase shares (directly and via a German KG Partnership) in the German resident company which owns the property.

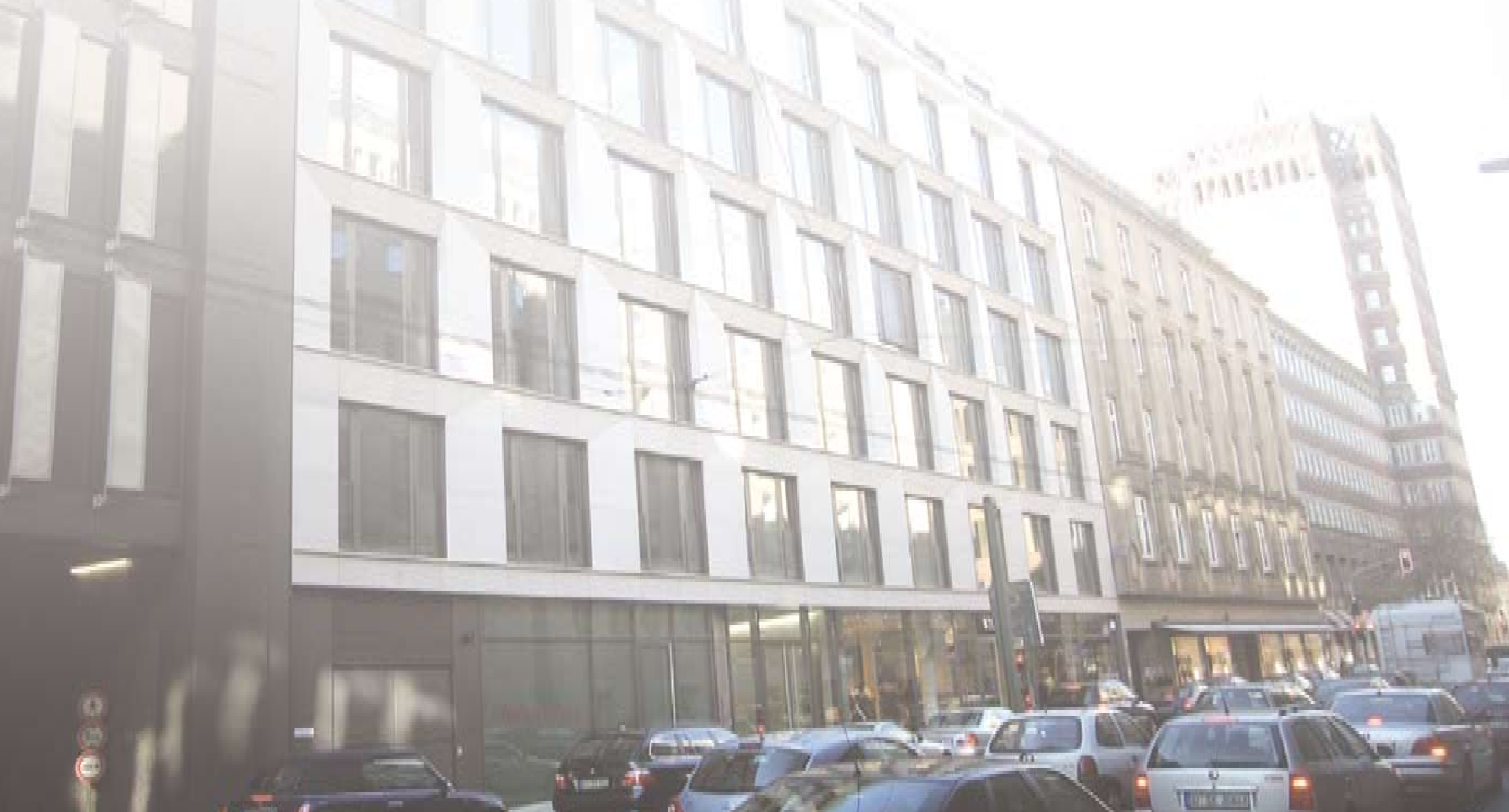
Completion of the acquisition is expected to take place in April 2008. The purchase price (excluding costs but including the discount for latent CGT* and rent free periods) is circa €25.3m ('the purchase price'). An attractive financing package has been arranged, on a non-recourse basis. After meeting the cost of borrowing and all charges, expenses and taxes, investors will get the full benefit of any returns on the property value, including the part financed through borrowing. However, borrowing to invest increases the risk of the investment. Please see the section entitled "Risks" for further details.

The borrowing is non-recourse to the investor – the investor is only liable for the amount of equity invested and cannot be called on by the lender to pay further sums in the event that the fund does not perform sufficiently well to cover borrowing, including costs.

The property will be valued independently on an annual basis. You will be notified of the value of your investment at least once a year. The early valuations are likely to show a significant fall, in the region of 25% - 35% in the value of the investment due to the costs of purchase. Encashment before the property is sold will not be allowed; please refer to the technical details, risks and warnings sections of this brochure for more information.

The property is managed by Canada Life European Real Estate (based in London). They have built their success on active management of property assets, with proven long-term management skills. They have approximately Stg £1.75bn of property under management in the UK, Ireland and Germany, comprising 180 properties, with a current rent roll in the order of Stg £100m p.a.

** Please see tax summary on page 6.*



What are the advantages of this investment?

Dusseldorf Commercial Property Market

- Dusseldorf boasts the highest standard of living in Germany, ahead of Frankfurt and Munich.
- In Dusseldorf, the prime yields for modern central offices currently lie in the region of 4.5% - 5%, reflecting the strong demand for quality space and the shortage in supply.
- Office take-up in Dusseldorf in 2006 amounted to a total of approximately 268,000 sqm and has seen an increase to 487,000 sqm in 2007, which was its best year ever and one of the highest improvements in take up in Europe.
- Take up in supply combined with limited new development, particularly within the banking district has led to commercial rents reaching a current high of €22.50 per sqm per month.
- Given the underlying fundamentals and the fact that the availability of accommodation of 1,000 sqm in the core city districts including the Banking District, inner city, Mediahafen and Kennedydamm is now in short supply, the office rents are predicted to continue to grow in the short term.
- On the retail front Dusseldorf's international reputation as a shopping city and a fashion centre supports the need for more retail space away from the traditional prime streets of Konigsallee and Shadowstrasse.
- The IC Company unit was pre-let 18 months ago and therefore the initial rental level of €31 per sqm per month is seen as low in comparison to retail market rents and as a result offers good rental growth prospects as the street improves as a retail location.

Borrowing

The loan to value ratio will be in the region of 65% - 70%. The borrowing will be in Euro. Canada Life will determine whether to fix part or all of the interest rate. If sufficient funds are not raised before the property is purchased bridging finance or an underwriting facility may be needed to fund the purchase. The cost of any bridging finance or an underwriting facility will be charged to the fund. Please refer to technical details at the back of this brochure.

Investment strategy

The current strategy is to hold the property for 7 years. However, the property may be sold earlier. If a viable sales opportunity cannot be identified after 7 years, Canada Life retains the right not to sell the property at that time. Canada Life will only sell the property if it believes it is in the best interests of all policyholders to do so. When the property has been sold, the fund will close and the investments will be switched into a Canada Life Cash Fund. At that stage, investors will have the option to switch into such other funds as Canada Life makes available at that time.

Currency

As the property is located in the Eurozone there is no currency risk.

Source: Canada Life European Real Estate

Taxation

Under the provisions of the current Ireland/German tax treaty, Canada Life should not be liable to German tax on a disposal of the shares in the German resident company which holds the property. However, any latent tax liability arising in relation to the underlying German property may impact on the share price achieved on the disposal of the shares. We understand that current market practice in Germany would be to only reflect 50% of the latent tax liability in the share price on disposal of the shares. Whether a discount applies (and there may be no discount) depends on market practice at the time of sale. At the time of purchase, there is an estimated latent tax liability of €1.5m already accrued on the property. The purchase price paid reflects a discount of 100% of the latent tax liability referred to above (please refer to the technical details section).

Canada Life reserves the right to restructure the investment. For example this could be done for the purpose of tax efficiency in which case the cost of any restructuring will be charged to the fund.

German tax rules and practice may change in the future and a higher rate or different basis of taxation may be payable on income and capital gains as a result of these changes.

Stamp Duty

The acquisition has been structured so that no stamp duty should arise on the purchase price of the property. In the event that any stamp duty does arise this will be charged to the fund.

Tax on Exit

Where the investment is made through a pension policy, the ability to encash will be subject to normal pension rules and the tax due on encashment depends on the relevant Revenue rules and legislation prevailing at that time. When the investment is made through a life bond, tax is payable on any investment gains, at standard rate of income tax plus 3% on the occurrence of the following events:

a) on death, on encashments or on assignments or
b) on the 8th policy anniversary, and every 8 years thereafter.

Tax on Approved Retirement Funds (ARFs)

ARF owners should note that 20% of their investment into the Dusseldorf Geared Property Fund will be retained in a liquid Canada Life Fund (policyholders can chose from a number of funds approved by Canada Life) to meet the tax liability arising from Section 14 of the Finance Act 2006, where an imputed distribution of 2% in 2008 and 3% thereafter is payable on the market value of ARF assets on 31st December each year. This requirement does not apply to Approved Minimum Retirement Funds.

Revenue law or practice may change in Ireland and Germany at any time during the life of this investment which may effect the taxation that applies to this investment opportunity, particularly with respect to taxation of income, gains and tax on encashment of the investment.

What level of risk is associated with The **Dusseldorf** Geared Property Fund?

Investment in the property market is speculative and involves financial risk. The investor is responsible for establishing the appropriateness of the investment to his or her needs. Canada Life's role is limited to establishing and administering related policies, and, Canada Life does not provide any investment advice in relation to this fund.

The Dusseldorf Geared Property Fund, will only be able to acquire the Dusseldorf property once sufficient funds are invested. If sufficient funds are not invested Canada Life may at its own discretion arrange additional finance, but if the sale does not proceed investors' funds may be transferred to such other fund as Canada Life makes available, or refunded to investors in the case of investment bonds.

The following are some of the main risks that a potential investor should consider. This list does not purport to be comprehensive.

Gearing Risk

The use of borrowing in The Dusseldorf Geared Property Fund, offers the potential to deliver higher returns than a traditional property fund but there is also an increased risk.

Borrowing can enhance potential returns. If, for example, the return on the property (through rents and potential capital appreciation) exceeds the cost of borrowing plus expenses, taxes and charges then the investor gets the benefit of any returns on the value of the property, after the cost of the loan and other costs and taxes has been repaid.

However, the property may fall in value, interest rates may rise or the rent as set out in the lease is not paid. If the property falls in value the borrowing will magnify any losses in the value of the property. In addition, if interest rates rise and rents are not sufficient to cover loan interest and other expenses, the value of your investment will fall. If rents are not paid then the value of your investment may fall as there may not be sufficient monies in the fund to cover the loan interest and other expenses.

Consequently, investors' capital is more at risk in an investment such as this, which is funded by borrowing than in an equivalent investment without borrowing.

It is possible in the worst case that investors may lose all of their original investment.

The Dusseldorf Geared Property Fund, is an investment that is only suitable for experienced investors with a high tolerance for risk. The increased risk to capital which results from borrowing to invest means that The Dusseldorf Geared Property Fund is recommended for use as part of a diversified investment portfolio.

Property Values

Property values may go down as well as up. The fund is investing in a single property, which means that the returns achieved by the fund will depend on the capital growth and the rental income from that property. Therefore, the fund will not be diversified. Returns from a fund investing in a single asset can be more volatile than returns from a diversified fund. The bank may call in the loan and force the sale of the property if repayments are not made within the timescales agreed in the loan documentation. The property acquisition and other related costs will adversely affect the value of the investment.

Interest Rate Risk

The fund will be exposed to interest rate risk. If interest rates increase this will adversely affect the return on the fund where interest rates on any portion of the loan have not been fixed. If interest rates are fixed for a period and the property is sold and/or the loan is repayed during this period penalty charges may be applied by the lender for repaying the loan early and any such penalties will be charged to the fund. The size of any such penalties will depend on prevailing interest rates at the time of repayment. If interest rates are fixed, and the property is held for longer than the duration for which interest rates were fixed, this will adversely affect the return on the fund if interest rates rise.

Early Years Risk

The acquisition costs are estimated at 10% of the purchase price, including the borrowed amount, this includes agents fees, legal fees etc. Once sufficient funds are raised the costs of purchasing will be deducted from the fund value. A significant fall in the region of 25% - 35% in the fund value will result.

Change in Taxation

German or Irish tax may change in the future and a higher rate or a different basis of taxation may be payable on income and capital gains as a result of these changes.

Warning: Past performance is not a reliable guide to future performance.
The value of your investment may go down as well as up.

Technical Details

Who can invest in The Dusseldorf Geared Property Fund?
It is open as a single premium investment through life bonds, personal pensions, executive pensions, approved retirement funds, approved minimum retirement funds and Investment Only policies.

Are there any age/term restrictions?
For pension policies the maximum age at entry is 53 years while for life bonds the maximum age at entry is 66. For pension policies the minimum investment term is 8 years. For life bonds the policies are open ended but you cannot exit until the property is sold. Please note that, in addition to any restrictions imposed on exit or access to benefits from these funds imposed by Canada Life, pension funds cannot, in any event, be accessed until retirement benefits are taken.

What are the charges for managing my investment?
Your financial advisor will advise you of the amount of your investment that will be allocated to the fund.
There will be a charge of 0.65% per annum of the gross asset value of the fund, which includes the investment manager fees. These charges do not include costs relating to running the property including, but not limited to, maintenance of the structure, the cost of the annual independent valuation or the cost of re-letting the property.

In addition costs and charges associated with purchasing the property will be charged directly to the fund at outset. For example, agents fees, legal and tax fees, notary fees, marketing fee, bridging finance/underwriting fee, bank arrangement fees, bank legals and surveys. In total these costs are estimated at 10% of the purchase price.

The costs quoted are approximate and a best estimate at the time of printing this brochure.

A performance incentive fee applies as follows: If the sale of the property results in a gain on the amount of equity that was initially invested in the property of more than 10% per annum, a fee equal to 20% of the return in excess of 10% per annum will be deducted.

The Bridging finance cost/underwriting fee mentioned above refers to the cost of the short-term finance used to purchase the property. This cost arises when sufficient funds are not raised before the property is purchased, and the cost will vary depending on how long it takes to raise sufficient funds after the property is purchased. The Marketing fee is payable to the promoter and charged to the fund.

Early Exit Charges
The following early exit charges will be payable to Canada Life if the property is sold within the first seven years, and the investor opts to transfer their respective proceeds out of their existing policy. It is important to realise that this scenario would only be expected to occur if the opportunity arose to sell and realise a strong profit in the early years.

Year	Exit Charge (% of Net Asset Value)
1	5%
2	4%
3	3%
4	3%
5	2%
6	2%
7	1%

What happens if I choose to withdraw from The Dusseldorf Geared Property Fund ?
This is a medium to long term investment and an investor should be prepared to leave their investment intact for a minimum of 8 years. Investors should be aware that payment of benefits will be significantly delayed until the property is sold and the ultimate value of their investment is known. This investment is not suitable for investors seeking short term returns or investors who may want to retire or transfer funds before the property is sold. In the unfortunate event of an investor's death during the lifetime of the investment, life and pension funds will be held within the policy and paid to the estate when the property is sold. Due to the long-term nature of this investment, this will result in long delays in the payment of any death benefit. Investors should take note of this for the administration of their estate and may wish to obtain independent legal advice on how to incorporate this into their estate planning.

Make sure your plan suits your needs:
Canada Life wants you to be sure that you are totally satisfied with your investment. You will be given 30 days from receipt of your policy documentation to make sure that this is the most suitable investment for you.

IMPORTANT INFORMATION
This document does not form a part of any contract. The information contained in this document is based on current legislation and is, therefore, subject to change. The contents are intended as a guideline only and should not be construed as advice or an interpretation of the law. Canada Life does not advise on the suitability of any investment to the individual's personal circumstances. Investors should always seek the advice of an appropriately qualified professional.

Tredagh Financial Services

Tredagh Financial Services was formed in 1987 specialising in retirement planning, company and personal protection and investments. Since then the company has expanded to offer a wide range of financial services by utilising the knowledge of people who have many years of financial management and planning expertise.

Gerry O'Connor has over fifteen years experience in the financial services industry. He has particular expertise in technical pension. He advises industry on retirement planning and is an authority on recent changes in pensions legislation, an area that has opened up a vast array of new opportunities for clients to get back control of their money. Gerry is a Qualified Financial Advisor and Fellow of the Life Assurance Association.

Mark Rooney has over ten years experience in the life, pensions and investment market. He is an Accountant Technician and Qualified Financial Advisor.

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