

SACKVILLE SPF IV (GP) No. 3 LIMITED

(Registered Number: 6838362)

Report and Financial Statements

for the year ended

31 December 2010

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Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

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Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

DIRECTORS

J Devine	Resigned 1 December 2010
C D Fleming	Appointed 9 December 2010
T N Gillbanks	
D Jordison	
C J Morrogh	
J M A Rigg	
J M Willcock	

Secretary and registered office

A Kaye
60 St Mary Axe
London
EC3A 8JQ

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and audited financial statements ("the financial statements") of Sackville SPF IV (GP) No 3 Limited ("the Company") for the year ended 31 December 2010

The Company is a subsidiary of Threadneedle Asset Management Holdings Sàrl, a Luxembourg registered company owned by Ameriprise Financial, Inc ("Ameriprise"), the ultimate parent company. Threadneedle Asset Management Holdings Sàrl and all its subsidiaries are referred to herein as "the Group"

The Company's registration number is 6838362.

Significant developments and principal activities

The principal activity of the Company is to act as general partner to Threadneedle Strategic Property Fund IV Sub Partnership No 3 LP ("the Partnership"), a property limited partnership. The directors do not anticipate any change in the nature of the Company's activities in the foreseeable future.

Results and dividends

The profit and loss account for the period is set out on page 9. The profit for the financial year under review was £1,440 (2009: £nil).

The directors do not recommend the payment of a dividend (2009: £nil).

Review of the business and future developments

The results of companies within the Group are managed on a group and business stream basis. Business streams do not correspond directly with individual legal entities, and consequently key performance indicators are not set for individual companies.

The performance of the Company reflects the allocation of the general partner's share from the Partnership for the period under review, under the terms of the partnership agreement. The level of business and the financial position at the end of the year are considered to be satisfactory by the Directors.

Risk management

The Board of Threadneedle Asset Management Holdings Sàrl has established a Risk Committee, which is chaired by the Chief Executive Officer and has representation from Ameriprise. The Risk Committee reports to both the Board and the Audit Committee so that they may fulfil their corporate governance responsibilities in relation to risk management. The Risk Committee meets quarterly and is responsible for the oversight of the Group's strategic, business and process risks and ensuring a suitable risk management framework is in place to mitigate risk. The scope of this review incorporates the operations of the Company.

Sackville SPF IV (GP) No. 3 Limited
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DIRECTORS' REPORT FOR THE YEAR 31 DECEMBER 2010

Risk management (continued)

The principal credit risk lies in uncollectible receivables. The Company manages credit risk by only offering credit to reputable institutions and by operating strict credit control procedures. The directors do not perceive any significant credit risk as the main concentration of debtors is with related parties.

The Company is also exposed to non-financial or operational risk which includes the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company has completed risk and control assessments to identify potential risks and ensure that adequate controls are in place to mitigate them.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out on pages 3 and 4.

The Company is expected to generate positive cash flows in the future and to participate in the Group's centralised treasury arrangements and banking relationships with its parent and fellow subsidiaries.

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

Fixed assets

Movements in fixed asset investments during the year are set out in note 6 to the financial statements.

Directors

The names of the directors and secretary of the Company are listed on page 2. The directors all held office throughout the period unless otherwise shown.

Directors' qualifying third party indemnity provisions

During the period the Company had in force a qualifying third party indemnity provision in favour of one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Sackville SPF IV (GP) No. 3 Limited
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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

Creditor payment policy

In respect of all of its suppliers, it is the Company's policy to

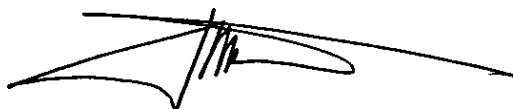
- settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- ensure that those suppliers are made aware of the terms of payment, and
- abide by the terms of payment

The Company's average creditor payment period, calculated by reference to the ratio of trade creditors at 31 December 2010 to amounts invoiced by suppliers during the period was nil days (2009 nil days). Amounts due to trade creditors are paid on behalf of the Company by Threadneedle Asset Management Holdings Limited

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditors are unaware and each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

By order of the Board



J M Willcock
Director
15 April 2011

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions of the Company and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SACKVILLE SPF IV (GP) No. 3 LIMITED

We have audited the financial statements of Sackville SPF IV (GP) No 3 Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SACKVILLE SPF IV (GP) No. 3 LIMITED

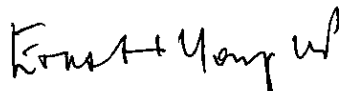
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ratan Engineer (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 April 2011

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

			Period from 5 March 2009 (date of incorporation) to 31 December 2009
	Notes	2010 £	2009 £
Turnover	2	2,000	-
Profit on ordinary activities before taxation	4	<u>2,000</u>	<u>-</u>
Taxation on profit on ordinary activities	5	(560)	-
Profit for the year		<u>1,440</u>	<u>-</u>

The movements in reserves are set out in note 10

All results are derived from continuing operations

The Company has no recognised gains or losses in the year other than the profit for the year, therefore, no statement of total recognised gains and losses has been included.

The notes on pages 11 to 16 form an integral part of these financial statements

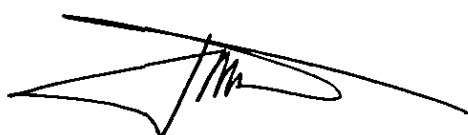
Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Notes	2010 £	2009 £
Fixed assets			
Investments in subsidiary undertakings	6	2	2
Current assets			
Debtors	7	2,002	2
Creditors			
Amounts falling due within one year	8	(562)	(2)
Net current assets		<u>1,440</u>	<u>-</u>
Net assets		<u>1,442</u>	<u>2</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	1,440	-
Total shareholders' funds	11	<u>1,442</u>	<u>2</u>

The notes on page 10 to 16 form an integral part of these financial statements

The financial statements on pages 9 to 16 were approved and authorised for issue by the board of directors on 15 April 2011 and were signed on its behalf by:



J M Willcock
Director

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) **Basis of preparation**

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice)

On the grounds that the Company is a subsidiary undertaking, 100% of whose voting rights are controlled within a group which prepares publicly available consolidated financial statements in which the results of the Company are included, it is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard ("FRS") 1, 'Cash flow statements' and the disclosure requirements of FRS 29, 'Financial Instruments – Disclosures'.

The financial statements are prepared under the historical cost convention

b) **Consolidated financial statements**

The Company is exempt under section 401 of the Companies Act 2006 (Exemption for company included in non-EEA group accounts of larger group) and UITF 43 from preparing consolidated accounts. The above financial statements and attached notes are therefore in respect of the Company only.

The Company acts as the general partner to the Partnership. The Company therefore exercises a dominant influence over the Partnership. However, the Company's rights are exercised on behalf of the limited partners, with the Company acting in a fiduciary capacity. The economic interest of the Company in the Partnership is small and restricted and is principally derived in the form of the general partner share provided for under the terms of the Partnership agreement. As the Company's influence is fiduciary in nature the Partnership is not treated as a subsidiary undertaking.

c) **Revenue recognition**

Turnover, stated net of VAT and rebates, arises from the Company's general partner share of the underlying profits of the Partnership, as detailed in the underlying partnership agreement for the Partnership and is recognised on an accruals basis. Interest receivable is also recognised on an accruals basis.

d) **Tax**

Current income tax

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

1. Accounting policies (continued)

e) Investments and other financial assets

Investments in subsidiary undertakings are exempt from the requirements of FRS 26 hence they are held at the lower of cost or net realisable value

2. Turnover

All turnover is derived in the UK from the Company's principal activity

3. Directors and employees

Employees

The average monthly number of persons (including directors), considered to be directly employed by the Company on a full time basis during the year was nil (2009. nil) The costs associated with the administration of the Company that are performed by employees of fellow subsidiaries of the Group are not recharged to the Company.

Directors' remuneration

The remuneration of Directors, which was borne by other companies within the Group and not recharged to the Company, was as follows

	Period from 5 March 2009 (date of incorporation) to 31 December	
	2010	2009
	£	£
Aggregate emoluments in respect of qualifying services	122,898	-
Pension contributions	170	-
	<u>123,068</u>	<u>-</u>

Four directors (2009. nil) received shares or units in other companies of the Group under long-term incentive schemes in respect of qualifying services Retirement benefits are accruing to four directors under a defined benefit scheme (2009 nil)

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

3. Directors and employees (continued)

Directors' remuneration (continued)

	2010	Period from 5 March 2009 (date of incorporation) to 31 December 2009
	£	£
In respect of the highest paid director:		
Aggregate emoluments and amounts receivable under long-term incentive plans	<u>48,000</u>	<u>-</u>
Defined benefit pension scheme:		
Accrued pension at end of year	<u>2,000</u>	<u>-</u>

The highest paid director received (2009 did not receive) shares or units in other companies of the Group under long-term incentive schemes in respect of qualifying services.

4. Profit on ordinary activities before taxation

The audit fee of £6,000 (2009 £6,000) was borne by Threadneedle Asset Management Holdings Limited on behalf of the Company and was not recharged. Fees payable to the auditors for other non-audit services during the year under review were £nil (2009: £nil)

5. Taxation on profit on ordinary activities

a) Taxation in the profit and loss account is as follows.

	2010	Period from 5 March 2009 (date of incorporation) to 31 December 2009
	£	£
Current tax:		
UK corporation tax at 28% (2009 28%) for the year	<u>560</u>	<u>-</u>

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

5. Taxation on profit on ordinary activities (continued)

b) Factors affecting the current tax charge on ordinary activities

The tax assessed for the period is equivalent to (2009 equal to) the standard rate of corporation tax in the UK of 28% (2009 28%)

	2010 £	Period from 5 March 2009 (date of incorporation) to 31 December 2009 £
Profit on ordinary activities before taxation	<u>2,000</u>	<u>-</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	<u>560</u>	<u>-</u>

6. Investments held in subsidiary undertakings

	2010 £	2009 £
At 1 January 2010	2	-
Additions	-	2
At 31 December 2010	<u>2</u>	<u>2</u>

The investment in subsidiary undertakings balance represents 100% of the issued share capital of Sackville SPF IV Property Nominee (5) Limited and Sackville SPF IV Property Nominee (6) Limited Both companies are incorporated in England and Wales

7. Debtors

	2010 £	2009 £
Amounts due from the Partnership	2,000	-
Amounts due from group undertakings	2	2
	<u>2,002</u>	<u>2</u>

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

8. Creditors: Amounts falling due within one year

	2010 £	2009 £
Corporation tax	560	-
Amounts due to group undertakings	2	2
	<u>562</u>	<u>2</u>

9. Share capital

	2010 £	2009 £
Authorised		
1,000 (2009 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 (2009. 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Movements in reserves

	Profit and loss account £
At 1 January 2010	-
Profit for the year	1,440
At 31 December 2010	<u>1,440</u>

11. Reconciliation of movements in shareholders funds

	2010 £	2009 £
At 1 January 2010	2	-
Issue of shares	-	2
Profit for the year	1,440	-
Closing shareholders' funds	<u>1,442</u>	<u>2</u>

Sackville SPF IV (GP) No. 3 Limited
Report and Financial Statements for the year ended 31 December 2010

12. Ultimate parent company

The Company is a subsidiary of Ameriprise Financial, Inc (“Ameriprise”), a company incorporated in the state of Delaware, United States of America. Copies of the consolidated financial statements of Ameriprise can be obtained by writing to the Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA, 55474 or by visiting the Ameriprise website at www.ameriprise.com.

Threadneedle Asset Management Holdings Sàrl, a company incorporated in Luxembourg, is the parent company of the smallest group of companies, of which the Company is a member, for which consolidated accounts are drawn up. Copies of the consolidated financial statements of Threadneedle Asset Management Holdings Sàrl can be obtained from 37, rue d’Anvers, L-1130, Luxembourg.

13. Related party transactions

The Company is a general partner in the Threadneedle Strategic Property Fund IV Sub Partnership No. 3 LP (“the Partnership”), a property limited partnership.

Amounts recognised in the year from the Partnership in respect of the general partner’s profit share were £2,000 (2009: £nil). As at 31 December 2010, £2,000 (2009: £nil) was outstanding from the Partnership in respect of profit share.

In all other respects, advantage has been taken of the exemption provided by FRS 8 (“Related party disclosures”) from disclosing details of transactions with Ameriprise and its subsidiary undertakings on the basis that 100% of the Company’s voting rights are controlled within a group which prepares publicly available consolidated financial statements in which they are included.

14. Contingent liability

The Company acts as general partner to the Partnership. In acting as general partner the Company enters into transactions on behalf of the Partnership. None of these transactions give any right of recourse to the assets of the Company.

NAME OF GENERAL PARTNER:

SACKVILLE SPF IV (GP) NO 3 LTD – CO NO: 06838362

NAME OF LIMITED PARTNERSHIP

- THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP
NO. 3 LP

FINANCIAL ACCOUNTING YEAR END:

- GENERAL PARTNER – 31ST DECEMBER
- LIMITED PARTNERSHIP – 31ST DECEMBER

This Report has been prepared in accordance with the provisions in the Partnerships (Accounts) Regulations 2008 – Subject to regulation 7 , 'Each limited company which is a member of a qualifying partnership at the end of any financial year of the partnership must append to the copy of its accounts and reports which is next delivered to the registrar in accordance with section 441(1) of the companies Act 2006 a copy of the accounts of the partnership prepared for that year under regulation 4'

Limited Partnership No: LP13672

**THREADNEEDLE STRATEGIC PROPERTY FUND IV
SUB PARTNERSHIP NO. 3 LP**

31 December 2010

ANNUAL REPORT AND FINANCIAL STATEMENTS

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

GENERAL PARTNER'S REPORT

The General Partner presents its Annual Report and the audited financial statements of the Threadneedle Strategic Property Fund IV Sub Partnership No 3 LP ("the Partnership") for the year to 31 December 2010

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Partnership's principal activity during the year was that of property investment. In respect of investment activity the Partnership acquired two properties during the year. At 31 December 2010 the Partnership held three properties in its property investment portfolio.

The profit for the year to 31 December 2010 amounted to £1,630,906 (2009: £76,214) which, when added to the deficit on revaluation of properties of £839,685 (2009: £2,635,000), resulted in total recognised gain of £791,221 (2009: recognised loss of £2,558,786).

KEY PERFORMANCE INDICATORS

The Directors consider the following to be their Key Performance Indicators:-

- Rental income levels,
- Profitability, and
- The growth in the market value of the Partnership's investment property portfolio

Performance against these indicators is discussed within the review of the business for 2010 set out above.

FUTURE DEVELOPMENTS

The General Partner considers that the year of trading and the financial position at 31 December 2010 is satisfactory in light of the general market conditions. The General Partner expects that the present level of activity will be sustained for the foreseeable future.

There have been no property acquisitions or disposals activity since 31 December 2010.

The Partnership has considerable financial resources together with lease agreements with customers and contracts with suppliers across different geographical areas and industries. As a consequence, the General Partner believes that the Partnership is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The General Partner is satisfied that the Partnership has adequate resources to continue in operational existence for the foreseeable future and, accordingly, it is appropriate to continue to use the going concern basis in preparing the financial statements.

PARTNERS

The Partners throughout the year and at 31 December 2010 were as follows:

Sackville SPF IV (GP) No 3 Limited

Threadneedle Strategic Property Fund IV LP

General Partner

Limited Partner

Individual Partners' interests are detailed in the breakdown of the Partners' interests in Note 12 to the financial statements.

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

GENERAL PARTNER'S REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT POLICIES

The General Partner is a wholly owned subsidiary company of Threadneedle Property Investments Limited and as such follows the financial risk management objectives and policies applicable to that company

The Partnership's operations expose it to a variety of financial risks, that include the effects of changes in prices, credit risk and liquidity risk. The General Partner has in place a risk management programme that seeks to limit the impacts of the risks

PRICE RISK

The Partnership's income is determined by

- i) the eventual selling price of the investment properties that the Partnership holds. As a consequence it benefits from any uplift in the value of the properties it holds and also participates in the deficit when property values fall,
- ii) the rental income obtainable from the properties during the period they are held. Benefits are generally obtained from any increase in the property rental market

In formulating its investment strategy, the General Partner has regard to the market price risk associated with particular industry and geographical sectors

CREDIT RISK

The Partnership's credit risk stems from the tenants' potential inability to pay rents owed. In order to mitigate this risk, the General Partner performs credit checks on potential customers before lease contracts are undertaken. Any overdue debts are chased on a regular basis

LIQUIDITY AND CASHFLOW RISK

The Partnership's assets comprise mainly of its investment in property, which may not be readily saleable. The General Partner monitors its liquidity and cashflow position to ensure it has sufficient finance in order to fund its activities

INTEREST RATE RISK

Interest rate risk is managed by the taking out of interest rate contracts that either fix or cap the rate of interest on current borrowings

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to qualifying partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each of the directors of the General Partner in office at the date the General Partner's Report is approved

- so far as the directors are aware there is no relevant audit information of which the Partnership's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information

On behalf of the General Partner



J Willcock

Director of Sackville SPF IV (GP) No. 3 Limited

Date : 19 May 2011

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

We have audited the financial statements of Threadneedle Strategic Property Fund IV Sub Partnership No.3 LP for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Statement of Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the Members and Auditors

As explained more fully in the Statement of Members' Responsibilities set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the members of the qualifying partnership in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the members, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of members' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Richard McGuire

Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date 19 May 2011

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP
LIMITED PARTNERSHIP NUMBER: LP13672

PROFIT AND LOSS ACCOUNT
for the year to 31 December 2010

		<u>Continuing Operations</u>	
	Notes	2010 £	3 November 2009 to 31 December 2009 £
Turnover	2	7,113,773	166,709
Cost of Sales		(106,793)	(1,894)
GROSS PROFIT		7,006,980	164,815
Administrative costs		(1,702,040)	(51,288)
OPERATING PROFIT	3	5,304,940	113,527
Interest receivable		18,500	453
Interest payable	5	(3,692,534)	(37,766)
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		1,630,906	76,214
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		£	£
Profit for the financial year / period		1,630,906	76,214
Deficit on revaluation of properties	6	(839,685)	(2,635,000)
TOTAL RECOGNISED GAINS / (LOSSES) FOR YEAR / PERIOD		791,221	(2,558,786)

The notes on pages 9 to 17 form an integral part of the financial statements

There are no material differences between the profit on ordinary activities before and after taxation and their historical cost equivalents

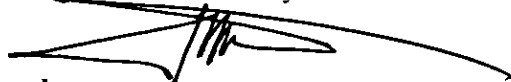
THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

BALANCE SHEET
at 31 December 2010

	Notes	2010 £	Restated 2009 £
FIXED ASSETS			
Investment property	6	163,108,366	50,500,000
CURRENT ASSETS			
Debtors	7	1,660,222	24,048
Restricted cash	8	2,434,278	2,802,545
Cash at bank		11,828,116	2,155,108
		15,922,616	4,981,701
TOTAL ASSETS		179,030,982	55,481,701
CREDITORS : amounts falling due within one year	9	6,787,990	1,074,679
CREDITORS : amounts falling due after more than one year	10	172,242,992	54,407,022
TOTAL LIABILITIES		179,030,982	55,481,701

The notes on pages 9 to 17 form an integral part of the financial statements

The financial statements on pages 7 to 17 were approved by the General Partner on 19 May 2011 and were signed on its behalf by



J Willcock
Director of Sackville SPF IV (GP) No. 3 Limited
Date : 19 May 2011

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

NOTES TO FINANCIAL STATEMENTS

at 31 December 2010

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investment properties which are stated at their open market value at the year end, and in accordance with Partnerships (Accounts) Regulations 2008 and applicable accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Principles). The prior year comparatives are also prepared under the above basis and the accounting policies below. This has resulted in a number of presentational changes to provide consistency with the current year figures. This has had no impact on the results for 2010 or 2009, the impact on the balance sheet at 31 December 2009 has been to present balances of £30,942,214 formerly shown as equity, as debt.

Turnover

Turnover consists principally of rentals receivable from tenants in the period. Rental income received in advance is deferred and recognised in the period to which it relates. In accordance with the Accounting Standards Board's Urgent Issues Task Force, Abstract 28 'Operating lease incentives' (UITF 28), rental income from properties which have been subject to a rent free period or inducement, is accounted for on a straight line basis over the period of the lease (or until the first rent review/break option, if earlier). The valuation of investment properties is reduced by all unamortised lease incentives.

Cost of Sales

Direct property expenses are accounted for by the Partnership on an accruals basis.

Investment Properties

Property that is held for long-term rental income or for capital appreciation or both, and that is not occupied by the Partnership, is classified as investment property.

Investment property is measured initially at cost, including related transaction costs, on the date of acquisition or the date of unconditional exchange, if earlier. After initial recognition, investment property is carried at open market value, after the deduction of unamortised lease incentives. Revaluation gains and losses are recognised in the Statement of Total Recognised Gains and Losses.

Valuations are performed by CB Richard Ellis Limited who are professional, third party, independent Chartered Surveyors, at the period end in accordance with RICS Appraisal and Valuation Standards. CB Richard Ellis Limited hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. Open market value is based on active market information, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, alternative valuation methods are used, such as recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, or discounted cash flow projections.

The principal assumptions underlying the estimation of open market value are those related to the receipt of contractual rentals, expected future market rentals, void periods, lease incentives, maintenance requirements and appropriate yields/discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Partnership and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

Disposals of investment property are recognised on legal completion or when unconditional exchange takes place.

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

NOTES TO FINANCIAL STATEMENTS

at 31 December 2010

1. ACCOUNTING POLICIES (CONTINUED)

Borrowings

Borrowings are stated net of debt issue costs incurred on the arrangement and drawdown of the facility with Eurohypo AG, adjusted for the amortisation of issue costs. The debt issue costs are charged to the profit and loss account on a straight line basis over the life of the credit facility.

Financial Instruments

The Partnership uses swaptions to manage its interest rate risk. Premiums payable are amortised on a straight line basis over the expected life of the instrument. The difference between interest payable by the Partnership and to the Partnership is dealt with on an accruals basis.

Taxation

The tax effects of the Partnership's activities accrue to the Partners, and a Partner liable to tax on its participation in the Partnership is responsible for settling the liabilities independently of the Partnership.

Partners' accounts

The Partnership has classified the Partners' accounts as a financial liability in accordance with the contractual arrangements within the Limited Partnership Agreement ("LPA"), whereby there is a contractual requirement for the General Partner to distribute proceeds from the sale of investments, or residual assets upon the termination of the Partnership, to various Partners in accordance with the LPA.

The Partnership does not have an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation, and the obligation is recognised as a financial liability.

Distributions

As required by the Limited Partnership Agreement, distributions are reflected in the Partners' Loan Accounts.

Profit Allocations

Allocations to the General Partner and Limited Partners of revenue profits, revenue losses, capital gains and capital losses are made in accordance with Clause 8 of the Limited Partnership Agreement dated 29 October 2009 and as amended on 11 January 2010.

Cash Flow Statement

The Partnership is exempt from the requirement to produce a cash flow statement under Financial Reporting Standard ("FRS") 1 'Cashflow Statements (Revised 1996)', as it qualifies as 'small' under the Companies Act 2006.

2. TURNOVER

Turnover consists of rental and other related income arising on the Partnership's principal activities which are conducted wholly in the United Kingdom.

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

NOTES TO FINANCIAL STATEMENTS
at 31 December 2010

3. OPERATING PROFIT

Operating profit is calculated after charging Auditors' remuneration of

	2010	3 November 2009 to 31 December 2009
	£	£
Auditors' remuneration in respect of Statutory audit services	5,000	5,000
Tax services	1,175	-
	<hr/>	<hr/>
	6,175	5,000
	<hr/>	<hr/>

4. EMPLOYEES

The number of persons working for the Partnership during the year was nil (2009 nil)

5. INTEREST PAYABLE

	2010	3 November 2009 to 31 December 2009
	£	£
Loan interest	3,338,332	22,653
Amortisation of issue costs on loans	354,202	15,113
	<hr/>	<hr/>
	3,692,534	37,766
	<hr/>	<hr/>

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

NOTES TO FINANCIAL STATEMENTS
at 31 December 2010

6. INVESTMENT PROPERTY

	Freehold £
Cost	
At 1 January 2010	53,135,000
Additions	113,448,051
	<hr/>
At 31 December 2010	166,583,051
	<hr/>
Decrease in value	
At 1 January 2010	(2,635,000)
Unrealised loss in respect of properties held at 31 December 2010	(839,685)
	<hr/>
At 31 December 2010	(3,474,685)
	<hr/>
Valuation	
At 31 December 2010	163,108,366
	<hr/>
Valuation by CB Richard Ellis Limited, Chartered Surveyors, at open market value	
At 31 December 2010	163,200,000
	<hr/> <hr/>
At 31 December 2009	50,500,000
	<hr/> <hr/>

The valuation as at 31 December 2010 is calculated after deducting the value of lease incentives receivable amounting to £91,634 as at 31 December 2010. The value of lease incentives receivable is shown within Debtors (see note 7).

6. DEBTORS

	2010 £	Restated 2009 £
Amount falling due within one year		
Trade debtors	859,423	-
Lease incentives receivable	91,634	-
Other taxation and social security	-	3,750
Rental guarantees receivable	704,288	-
Other debtors	4,877	20,298
	<hr/>	<hr/>
	1,660,222	24,048
	<hr/> <hr/>	<hr/> <hr/>

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

NOTES TO FINANCIAL STATEMENTS
at 31 December 2010

8. RESTRICTED CASH

The restricted cash of £2,434,278 (2009 £2,802,545) serves as collateral for interest rate swap arrangements entered into with Eurohypo AG

9. CREDITORS: Amounts falling due within one year

	2010	Restated
	£	2009
		£
Amounts falling due within one year		
Trade creditors	154	-
Acquisition costs payable	432,803	614,080
Loan and swap interest payable	1,030,724	22,653
Other taxation and social security	591,025	-
Deferred income	2,401,330	-
Amounts due to Manager	536,813	1,856
Amounts due to Partners (see note 12)	1,209,505	76,214
Other creditors	585,636	359,876
	<hr/>	<hr/>
	6,787,990	1,074,679
	<hr/>	<hr/>

10. CREDITORS: Amounts falling due after one year

	2010	Restated
	£	2009
		£
Bank loans	88,316,457	25,250,000
Less Debt issue costs	(1,499,780)	(1,708,978)
	<hr/>	<hr/>
	86,816,677	23,541,022
	<hr/>	<hr/>
Amounts due to Partners (see note 12)	85,426,315	30,866,000
	<hr/>	<hr/>
	172,242,992	54,407,022
	<hr/>	<hr/>
Maturity of bank loan		
	£	£
In more than two years, but not more than five years	88,316,457	25,250,000
	<hr/>	<hr/>
	88,316,457	25,250,000
	<hr/>	<hr/>

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

**NOTES TO FINANCIAL STATEMENTS
at 31 December 2010**

10. LOANS AND OTHER BORROWING (CONTINUED)

The bank loan of £88,316,457 represents the total amount of funds drawn down from a £130,000,000 revolving investment loan facility provided to the Partnership by Eurohypo AG, the term of which is 5 years expiring 16 December 2014, or the earlier termination of the Partnership. The bank loan is secured on the underlying investment properties to which this relates. Each drawdown under the loan facility is restricted to purchases which will meet the criteria as set out in the loan facility.

Interest is payable quarterly in arrears and is calculated at a variable rate (the "Margin") over LIBOR. Commitment fees on the undrawn amount of loan are payable at a rate of 1.00% per annum.

In December 2009 as part of the interest rate management strategy the Partnership entered into an interest rate swaption agreement for a total notional amount of £130,000,000. Premiums payable on the purchase of such swaption agreements are amortised on a straight line basis over the expected life of the instrument.

Counterparty: Eurohypo AG – Contract 2196435EL-10

Under the swaption the Partnership has the option to pay interest at the following rates:

Notional sum: £130,000,000 – Fixed Rate 3.01%, effective from 22 April 2010 to 22 October 2012
Notional sum: £86,667,000 – Fixed Rate 3.01%, effective from 22 October 2012 to 22 October 2013
Notional sum: £43,334,000 – Fixed Rate 3.01%, effective from 22 October 2013 to 22 October 2014

Under the swaption the Partnership has the option to receive interest at the following rates:

Notional sum: £130,000,000 – 3 Month LIBOR, effective from 22 April 2010 to 22 October 2012
Notional sum: £86,667,000 – 3 Month LIBOR, effective from 22 October 2012 to 22 October 2013
Notional sum: £43,334,000 – 3 Month LIBOR, effective from 22 October 2013 to 22 October 2014

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

**NOTES TO FINANCIAL STATEMENTS
at 31 December 2010**

11. RECONCILIATION OF MOVEMENTS IN PARTNERS' INTERESTS

	2010 £	2009 £
Return for the year / period	791,221	(2,558,786)
Capital and loans advanced in the year / period	55,400,000	33,501,000
Loans repaid in the year / period	(497,615)	-
	<hr/>	<hr/>
Net change in Partners' interests	55,693,606	30,942,214
Opening Partners' interests	30,942,214	-
	<hr/>	<hr/>
Closing Partners' interests	86,635,820	30,942,214
	<hr/> <hr/>	<hr/> <hr/>

12. PARTNERS' INTERESTS AS AT 31 December 2010

Partners	Capital Contribution Account £	Loan Contribution Account £	Revenue Account £	Net Capital Account £	Current Account £	Total £
Sackville SPF IV (GP) No 3 Limited	-	-	2,000	-	-	2,000
Threadneedle Strategic Property Fund IV LP	1,000	88,402,385	1,705,120	(3,474,685)	-	86,633,820
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,000	88,402,385	1,707,120	(3,474,685)	-	86,635,820
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Maturity Profile

	£
Due in one year or less	1,209,505
Due in more than one year	85,426,315
	<hr/>
	86,635,820
	<hr/> <hr/>

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

NOTES TO FINANCIAL STATEMENTS
at 31 December 2010

12. PARTNERS' INTERESTS AS AT 31 December 2009 (Continued)

Partners	Capital Contribution Account £	Loan Contribution Account £	Revenue Account £	Net Capital Account £	Current Account £	Total £
Sackville SPF IV (GP) No 3 Limited	-	-	-	-	-	-
Threadneedle Strategic Property Fund IV LP	1,000	33,500,000	76,214	(2,635,000)	-	30,942,214
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,000	33,500,000	76,214	(2,635,000)	-	30,942,214
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Maturity Profile

	£
Due in one year or less	76,214
Due in more than one year	30,866,000
	<hr/>
	30,942,214
	<hr/>

The realised profits and realised gains of the Partnership are distributed in accordance with the Limited Partnership Agreement

13. ULTIMATE PARENT COMPANY

The General Partner, Sackville SPF IV (GP) No 3 Limited, is considered to be the immediate controlling party Threadneedle Property Investments Limited holds the entire issued share capital of the General Partner

Ameriprise Financial, Inc is considered to be the ultimate controlling party by virtue of its holding of the entire share capital of Threadneedle Asset Management Limited, which itself holds the entire issued share capital of Threadneedle Property Investments Limited

Ameriprise Financial, Inc is a company incorporated in the state of Delaware, United States of America Copies of the consolidated financial statements of Ameriprise Financial, Inc can be obtained by writing to the Corporate Secretary, Ameriprise Financial, Inc , 1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA, 55474 or by visiting the Ameriprise Financial website at www.ameriprise.com

THREADNEEDLE STRATEGIC PROPERTY FUND IV SUB PARTNERSHIP NO. 3 LP

**NOTES TO FINANCIAL STATEMENTS
at 31 December 2010**

14. RELATED PARTY TRANSACTIONS

During the year from 1 January 2010 to 31 December 2010 the Partnership incurred management fees of £864,737 (2009 £1,856) from Threadneedle Asset Management Limited. The balance due to Threadneedle Asset Management Limited at 31 December 2010 was £536,813 (2009 £1,856).

Under Section 9.1 of the Limited Partnership Agreement dated 29 October 2009 and as amended on 11 January 2010, the General Partner is entitled to receive an amount equal to £2,000 per annum as a first charge on net income and capital gains. During the year 1 January 2010 to 31 December 2010 the amount allocated to the General Partner was £2,000 (2009 £nil).

No contract of significance existed at any time during the year in which a director or key manager was materially interested or which requires disclosure as a related party transaction as defined under FRS 8.