


Share performance
UP 1.39% since launch

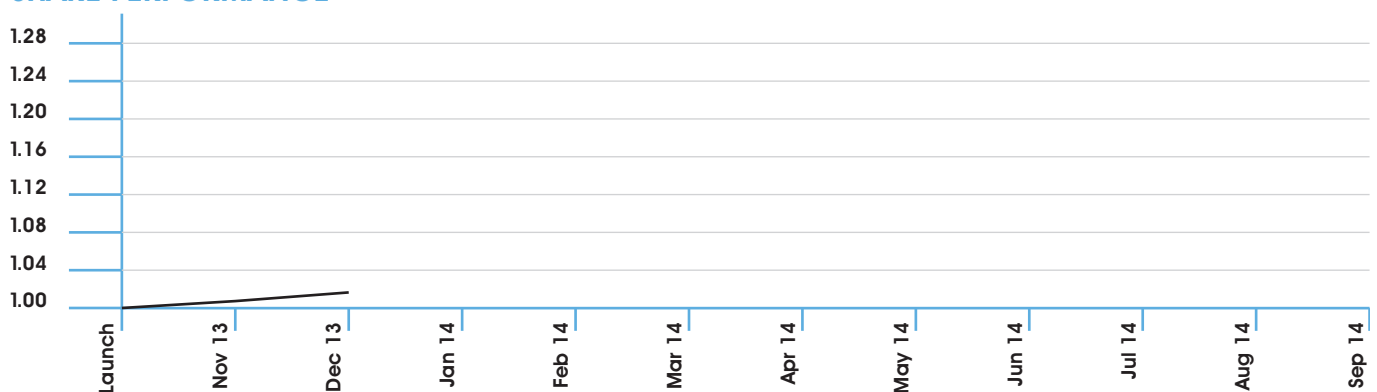
Share price: \$1.0139
ISIN Code: GG00BFRB3897 SEDOL Code: BFRB389

MONTH	LAUNCH	NOV 13	DEC 13	JAN 14	FEB 14	MAR 14	APR 14	MAY 14	JUN 14	JUL 14	AUG 14	SEP 14
Share Price	\$1.0000	\$1.0059	\$1.0139	-	-	-	-	-	-	-	-	-
Return	-	0.59%	0.80%	-	-	-	-	-	-	-	-	-

ACQUISITIONS

LOCATION	No OF ROOMS	INVESTMENT UPDATE	VALUE
England	215 studios	Development	£21 million ²
Scotland	128	Operational	£5.960 million
England	133	Development	£12 million ²
Germany	179	Operational	€5.490 million
England	203	Development	£15.5 million ²
Germany	310	Operational	€7.070 million

SHARE PERFORMANCE



INVESTMENT UPDATE

During December the Fund completed the acquisition of an existing 310 bed student residence in Osnabrück, North West Germany. The property is 97% let and was built in the 1970's. The accommodation is split into 5 blocks, one of which contains 40 apartments which have just been refurbished. The remaining blocks house 270 rooms in cluster format and will be refurbished over the next 12 to 18 months.

Work continues on the development projects in England, with the projects in Newcastle and Bristol both continuing on time and within budget. The demolition has commenced on the site of Phase II. Marketing campaigns

for September 2014 have commenced with some early re-bookings. The University of West England, Bristol has signed a 3 year Nominations Agreement to guarantee students for the Bristol development once completed.

Further opportunities are also being progressed in Germany.

Due diligence continues to progress in France on a number of potential acquisition opportunities, including sites in Paris, Strasbourg, Lille and Chambéry.

BACKGROUND TO THE FUND

The current economic climate has led many investors to seek uncorrelated investments that offer the opportunity to take advantage of assets which offer not only strong rental yields but also the real prospect of long term capital growth.

The Student Accommodation market in the major University cities in Europe represents one of the best opportunities to achieve these objectives. The UK currently represents a more mature market, having been established in the mid to late 1990's, whereas in the rest of Europe this market has only recently begun to emerge. The Student

Accommodation market has delivered solid and consistent returns throughout every year of the recent economic downturn, as year on year growth of student numbers across the globe has continued to increase. Within this global increase Europe dominates the international student market, attracting 46% of all international students.¹

INVESTMENT OBJECTIVES

- To provide investors with diverse investment in the Student Accommodation market in Europe, whilst only investing in major University countries and cities
- To invest in a mixture of new developments and mature properties that will provide a combination of strong rental yields, initial added capital value and anticipated ongoing capital growth
- To achieve target return of 10–12% p.a. before tax
- To invest in Europe alongside local student operators/developers through partnership and joint venture arrangements, sharing risk with these operators/developers who have successful track records in their localities
- To provide further diversification and risk reduction through:
 - A geographical spread across major University cities in Europe
 - Inclusion of 'affordable' older schemes without en-suite accommodation
 - Inclusion of newer schemes with en-suite accommodation (including studio flats) at higher rental levels
 - Inclusion of new purpose-built accommodation
 - A mix of undergraduate and postgraduate students
 - A mix of domestic students and international students
 - A variety of occupational agreements, including university leases and direct lets

KEY FACTS

- Fund is registered with the Guernsey Financial Services Commission and listed on the Channel Islands Stock Exchange
- Accumulation share classes
- Maximum fund gearing of 100% of Net Asset Value (equivalent to 50% of overall Assets)
- Dealing frequency - monthly
- Dealing day - 2nd business day of each month
- Valuation point - last business day of each month
- Valuation announcement - within five business days of the relevant dealing day
- Contract notes - issued within seven business days of the relevant dealing day
- Final day for receipt of investment application form - 20th of month or nearest earlier business day or later at the Directors discretion
- Final day for receipt of investment - two business days prior to the month end before the relevant dealing day
- Redemption notice period - 60 days prior to the relevant dealing day
- Minimum initial subscription - USD 1,500,000
- Minimum additional subscription - USD 450,000
- Currencies - GBP, EUR, CHF, USD
- Charges
 - Initial: Nil
 - Annual Management Charge: 1.50% of NAV
- Performance fee - 20% of any outperformance over 10% p.a., aligning the interest of the Property Advisor with that of the Investor

ADVISORS

- Promoter – Crosslane Fund Managers LLP
- Property Advisor – Crosslane Property Advisor (Guernsey) Limited
- Administrator – JTC (Guernsey) Limited
- Audit – BDO Limited
- Tax – Grant Thornton Limited
- Custodian – Royal Bank of Canada (Channel Islands) Limited
- Legal Advisor Guernsey – Mourant Ozannes
- Legal Advisor UK – Squire Sanders (UK) LLP

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¹ Knight Frank International Student Property Report 2012

² Value on completion