



Share performance:

**UP 12.47%** since launch

Share price: £1.1247

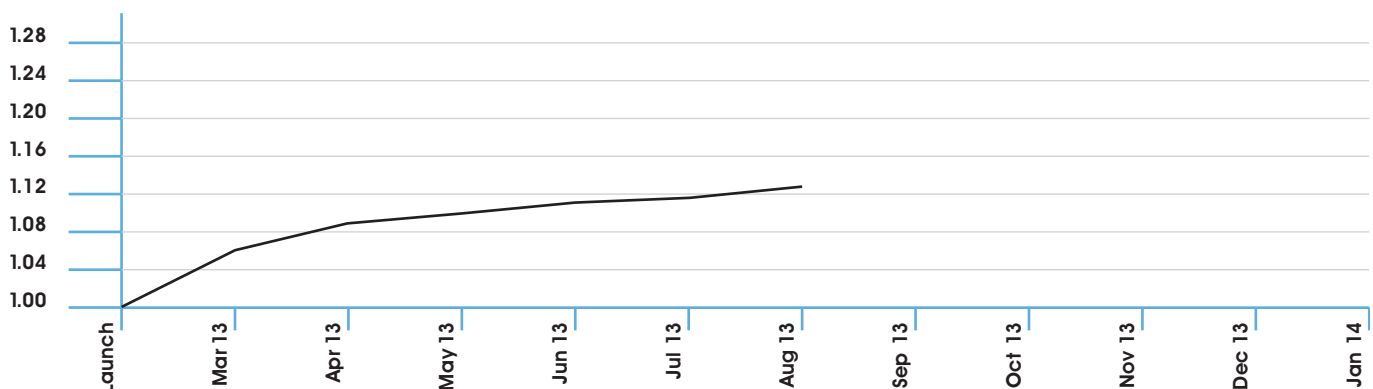
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MONTH	LAUNCH	MAR 13	APR 13	MAY 13	JUN 13	JUL 13	AUG 13	SEP 13	OCT 13	NOV 13	DEC 13	JAN 14
Share Price	£1.0000	£1.0585	£1.0882	£1.1003	£1.1086	£1.1172	£1.1247	-	-	-	-	-
Return	-	5.85%	2.81%	1.11%	0.75%	0.78%	0.67%	-	-	-	-	-

## ACQUISITIONS

LOCATION	No OF ROOMS	INVESTMENT UPDATE	VALUE
England	215 studios	Development	£21 million <sup>2</sup>
Scotland	128	Operational	£5.90 million
England	133	Development	£12 million <sup>2</sup>
Germany	179	Operational	€4.99 million

## SHARE PERFORMANCE



## INVESTMENT UPDATE

Work continued to progress in a timely manner on the two developments in England, with both projects continuing on time and within budget. These will both become operational for the 2014 academic year.

Work is also under way on phase 1 of the refurbishment of the German property. 14 studios will be fully refurbished and this project will be completed by the middle of October 2013.

Lettings for September 2013 have continued to progress well for the

operational property in Scotland, which is already more than 90% let.

The Property Advisor is continuing with its due diligence on the further identified opportunities in Germany. A recent study of student accommodation by property advisor Savills ('European Spotlight 2013') concluded that both France and Germany only have a provision of 11% purpose built accommodation compared to 21% in the UK. With the student population in both of these countries in excess of 2,000,000 the Fund believes that this report underpins the investment in these Countries.

## 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.<sup>1</sup>

## 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
- 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 - GBP 10,000
- Minimum additional subscription - GBP 3,000
- Currencies - GBP, EUR, USD, CHF, SEK
- Charges
  - Allocation: 100% of initial investment
  - Redemption: Year 1 - 5%  
Year 2 - 4%  
Year 3 - 3%  
Year 4 - 2%  
Year 5 - 1%  
Year 6 onwards - Nil
  - Annual Management Charge: 1.50% of NAV
- Withdrawal facility - up to 8% p.a. of initial investment can be withdrawn once every year, after investment has been held for one year, free of redemption charge
- 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 Fund Administration (Guernsey) Limited
- Audit – BDO Limited
- Tax – Grant Thornton Limited
- Custodian – Royal Bank of Canada (Channel Islands) Limited
- Legal Advisor Guernsey – Carey Olsen
- Legal Advisor UK – Squire Sanders (UK) LLP

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<sup>1</sup> Knight Frank International Student Property Report 2012

<sup>2</sup> Value on completion