



Share performance:

UP 11.79% since launch

Class B: £1.1179

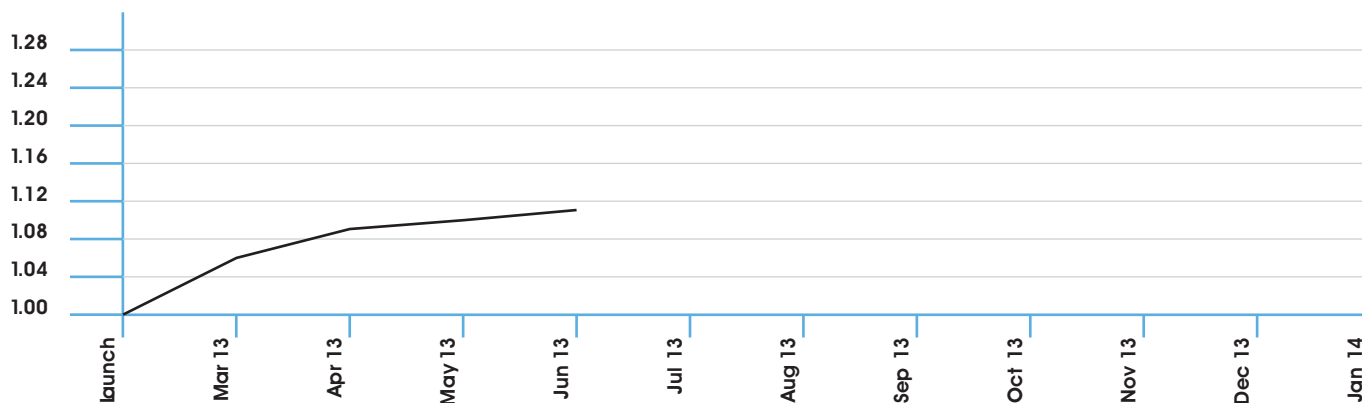
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MONTH	LAUNCH	MAR 13	APR 13	MAY 13	JUN 13	JUL 13	AUG 13	SEP 13	OCT 13	NOV 13	DEC 13	JAN 14
Share Price	£1.0000	£1.0624	£1.0945	£1.1082	£1.1179	-	-	-	-	-	-	-
Return	-	6.24%	3.02%	1.25%	0.88%	-	-	-	-	-	-	-

ACQUISITIONS

LOCATION	No OF ROOMS	INVESTMENT UPDATE	VALUE
England	215 studios	Development	£21 million ²
Scotland	128	Operational	£5.86 million
England	133 studios	Development	£12 million ²

SHARE PERFORMANCE



INVESTMENT UPDATE

During June 2013 work continued to progress in a timely manner on the two developments in England, with main contractors on site at both locations. These will both become operational for the 2014 academic year.

Lettings for September 2013 have continued to progress well for the operational property in Scotland, which is already more than 85% let.

The Property Advisor has identified five potential transactions across Germany to meet the current student accommodation demand and has secured three of them by option for purchase by the Fund.

A recent study by property advisor CBRE concluded that around €4.1bn of new investment into student housing in Germany is required, providing investors with a good opportunity to generate attractive returns.

The Fund also continues to progress other European opportunities which provide the same level of investor opportunity, with further due diligence being carried out on a pipeline of potential acquisitions in the Netherlands, Germany and France.

The Fund is intentionally targeting a mix of developments and operating properties across mainland Europe to diversify risk and establish a manageable portfolio of investments

According to recent UCAS figures, in the UK, universities have seen a 3.5% increase in the number of student applications this year. An increase in the number of UK (2.8%) and overseas students (EU 4.9% and non-EU 9.6%) means application rates have recovered to 2011 levels. This underpins the fact that the UK student accommodation market remains robust.

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
- 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 1,000,000 or equivalent in other currencies
- Minimum additional subscription - GBP 300,000 or equivalent in other currencies
- Currencies - GBP, EUR, CHF
- 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 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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¹ Knight Frank International Student Property Report 2012

² Value on completion