

Ground Rents Income Fund plc

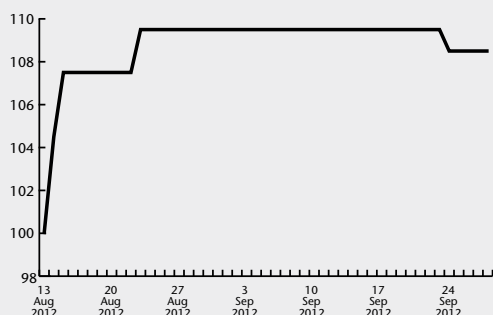
30 September 2012

Fund Facts

Launch date: 13/08/2012

Share price: 108.5p

Market capitalisation: £52.3m



Share ISIN: GB00B715WG26

Share SEDOL (CISX): B715WG2

Share SEDOL (SETSqx): B8K0LM4

Share Ticker: GRIO

Warrant ISIN: GB00B8N43P05

Warrant SEDOL (CISX): B8N43P0

Warrant SEDOL (SETSqx): B8K0RP9

Warrant Ticker: GRIW

Gearing: 0%

Annual Management Fee: 0.55% of market capitalisation

Performance Fee: Nil

Quarterly Ex-Dividend Date: 19 December 2012

Investment Objective

The Ground Rents Income Fund plc (GRIF) is a newly formed, closed-ended company. GRIF is listed on the Channel Islands Stock Exchange (CISX) and traded on the SETSqx platform of the London Stock Exchange.

The company has been established to provide secure long-term performance through investment in long dated UK ground rents, which have historically had little correlation to traditional property asset classes and have seen their value remain consistent regardless of the underlying state of the economy.

GRIF will acquire a portfolio of assets with the potential for income generation from the collection of ground rents. The company will seek to generate consistent income returns for shareholders by investing in a diversified portfolio of ground rents including freeholds and head leases of residential, retail and commercial properties located in the UK.

GRIF joined the REIT regime, a structure that should afford the company a number of competitive tax advantages, on 15 August 2012.

Market Commentary and Investment Update

The ground rent market continues to provide investors with a 'safe haven' during the current period of economic uncertainty. The very stable and secure income which ground rents provide, together with the link to inflation indices, make ground rents attractive in the current climate and this is being reflected in the activity which we are seeing within the sector. With interest and swap rates reflecting the limited outlook for growth within the UK economy, ground rents are seen by many, including an increasing number of institutional investors, as a good diversifier away from traditional asset classes.

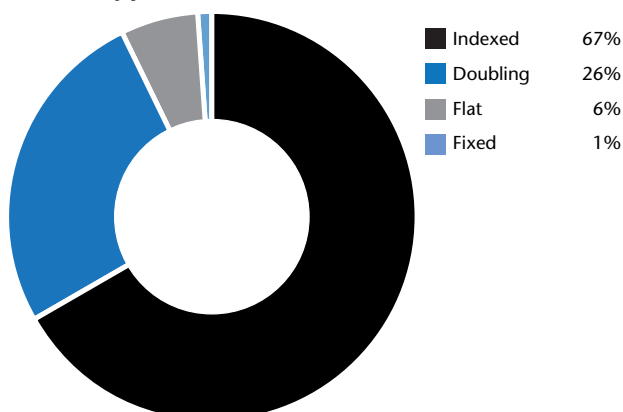
Over the past few weeks Ground Rents Income Fund plc (GRIF) has completed a number of transactions, including the Louis Group Portfolio and the award winning Clapham One scheme in south London. We anticipate that these transactions, in addition to the pipeline of assets which we have identified, will allow GRIF to be fully invested within the twelve month timescale as detailed during the initial fund raising.

External transactional evidence over the past few months has shown increasing capital values being paid for large scale ground rent assets, particularly those which come with income which is linked to RPI and where there are opportunities for enhanced income. The market continues to be very competitive and relationship driven, but the directors remain confident of achieving the investment objectives of the company.

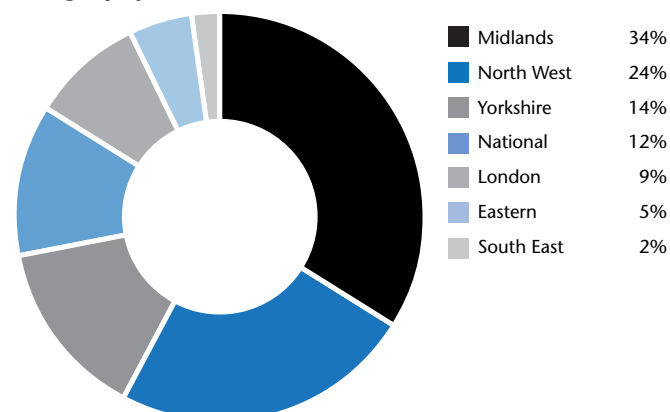
Ground Rents Income Fund plc (GRIF)

Portfolio

Review type



Geography



Top 5 Assets



PostBox
Birmingham



The Gatehaus
Bradford



Clapham One
London



Beetham Tower
Manchester



The Hive, Masshouse Block M
Birmingham

Contact Details

Ground Rents Income Fund plc

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Risk Warning

Investors should be aware that the price of units in this company, and the income generated, can go down as well as up and that neither is guaranteed. Past performance is not a guide to the future. Investors may not get back the amount invested. Changes in asset value may have an adverse effect on the price or income of an investment. Investors should be aware of the additional risks associated with investment in the UK ground rents market.

The information in this document does not constitute advice or a recommendation and you should not make any investment decisions on the basis of it. This document is for the information of the recipient only and should not be reproduced, copied or made available to others.

This document is issued and approved by Ground Rents Income Fund plc (GRIF).

GRIF is incorporated in England and Wales Company No. 8041022. Registered Office: 111 Park Street, London W1K 7JL.