

Ground Rents Income Fund plc

30 September 2013



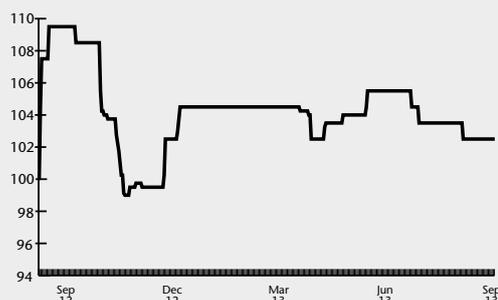
St Williams Court

Fund Facts

Launch date: 13/08/2012

Share price: 102.5p

Market capitalisation: £89.8m



Ordinary Share:

ISIN: GB00B715WG26

SEDOL (CISX): B715WG2

SEDOL (SETSqx): B8K0LM4

Ticker: GRIO

Warrant:

ISIN: GB00B8N43P05

SEDOL (CISX): B8N43P0

SEDOL (SETSqx): B8K0RP9

Ticker: GRIW

Convertible Preference Share:

ISIN: GB00B8DWRG34

SEDOL (CISX): B8Y5RC7

SEDOL (SETSqx): B8DWRG3

Ticker: GRIP

Gearing: 0%

Annual management fee: 0.55% of market capitalisation

Performance fee: Nil

Dividend: Quarterly

Quarterly Ex-Dividend date: 20 November 2013

Investment Objective

The Ground Rents Income Fund plc (GRIF) is a Real Estate Investment Trust (REIT), listed on the Channel Islands Stock Exchange (CISX) and traded on the SETSqx platform of the London Stock Exchange.

GRIF's investment strategy is focussed on achieving stable long-term performance by investing in long-dated UK ground rents, which have historically exhibited a weaker correlation to traditional property asset classes and the underlying state of the economy.

GRIF's income is from ground rents and associated income. The company seeks 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. The company joined the REIT regime in August 2012 and by 30 September 2013 had invested over 50% of the total funds raised from both the ordinary shares (GRIO) and preference shares (GRIP) issues.

Market Commentary and Investment Update

The dominant factor for markets recently has been the speculation that the US Federal Reserve would begin its tapering of monthly bond purchases in September, an event which did not materialise. This has kept sovereign debt yields low, particularly those linked to indexation, which continue to look expensive in the context of other alternative investments.

The UK property market has shown initial signs of recovery, with the development of residential property increasing, particularly from the listed house builders. It is hoped that the UK government's Help to Buy scheme will create greater liquidity and increasing levels of construction activity in the sector, leading to the creation of further ground rent assets over the next few years.

We continue to invest the equity raised from the preference share issue (GRIP) and have made good progress to date, adding the likes of Ladywell Point in Salford and City Island in Leeds to the portfolio. We have also completed some detailed asset management initiatives, allowing the company to invest a further £1 million into the current asset base, improving management efficiency and increasing the index-linked income from buying out certain payment obligations. We expect to achieve the 12 month investment timescales set at the time of the preference share equity raise.

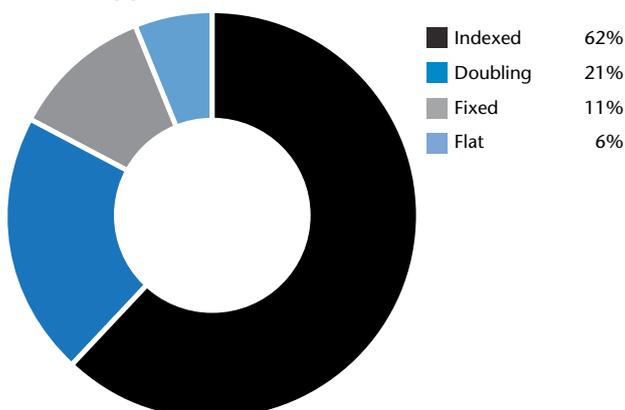
Price and performance information presented above is for Ordinary Shares.

Data as at 30 September 2013

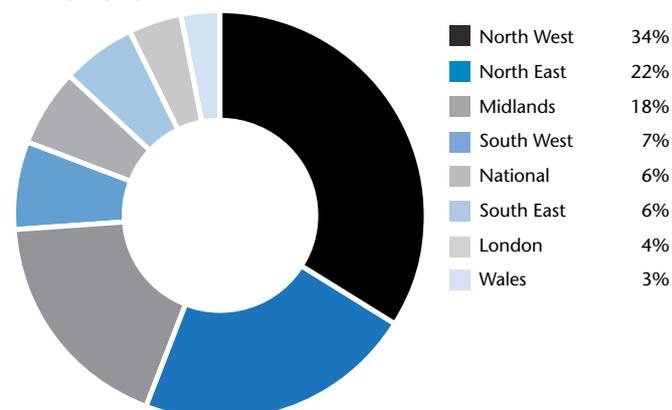
Ground Rents Income Fund plc (GRIF)

Portfolio

Review type



Geography



Top 5 Assets



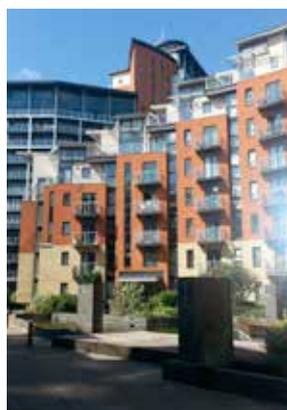
One Park West
Liverpool



Ladywell Point
Manchester



The Gateway
Leeds



City Island
Leeds



PostBox
Birmingham

For more information about these assets please visit www.groundrentsincomefund.com

Contact Details

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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 affect 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.

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