

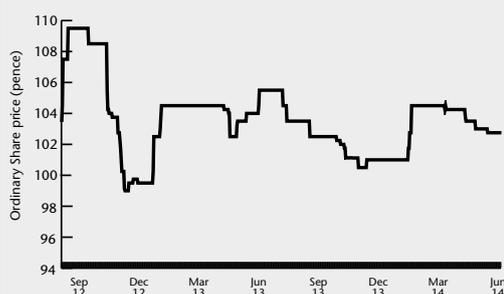
Ground Rents Income Fund plc

30 June 2014

Greenhouse, Leeds

Fund Facts

Launch date:	13/08/2012
Ordinary Share price:	102.5p
Market capitalisation	£86.8m



Ordinary Share:	
ISIN:	GB00B715WG26
SEDOL (CISX):	B715WG2
SEDOL (SETSqx):	B8KOLM4
Ticker:	GRIO

Warrant:	
ISIN:	GB00B8N43P05
SEDOL (CISX):	B8N43P0
SEDOL (SETSqx):	B8KORP9
Ticker:	GRIW

Gearing: 0%

Annual management fee: 0.55% of market capitalisation

Performance fee: Nil

Dividend: Quarterly

Quarterly Ex-Dividend date: 27 August 2014

Price and performance information presented above is for Ordinary Shares.

Data as at 30 June 2014

Investment Objective

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

GRIF's investment strategy is focused on achieving stable, long-term performance by investing in long-dated UK ground rents, which have historically not suffered the same peaks and troughs as the economy and the property market.

GRIF's income derives 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 June 2014 had invested more than 74% of the total funds raised. In the third quarter of its financial year (April - June 2014) the company invested a further £3.2m in ground rents including acquisition costs.

Market Commentary and Investment Update

Market sentiment towards real estate from an asset allocation perspective has improved significantly over the past year, evidenced by the number and variety of IPOs and new capital raisings. The residential sector is performing well and construction activity is rising on the back of sustained demand from domestic and international owner-occupiers and investors for housing and buy-to-let investments. This sustained activity should eventually lead to the increased availability of ground rent assets, but is not yet sufficient to alter the favourable supply-demand dynamic in the ground rents sector.

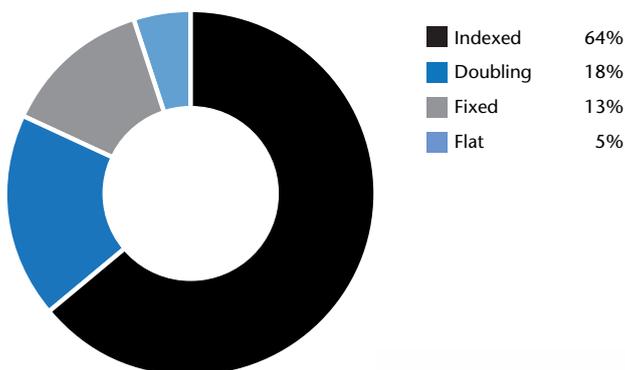
In the coming quarter we expect that there will continue to be institutional appetite for large portfolios of residential ground rents, as we saw with the recent sale of the Brandeaux portfolio for £93 million. We also believe that there will be a focus on ground rent assets in the commercial and alternative real estate sectors, such as hotels and student accommodation. These assets are becoming more common and are being sold at very low net initial yields. This market activity will continue to put further downward pressure on yields, while the rest of the market will likely remain stable but very competitive.

We will continue to seek out accretive investments to maximise returns.

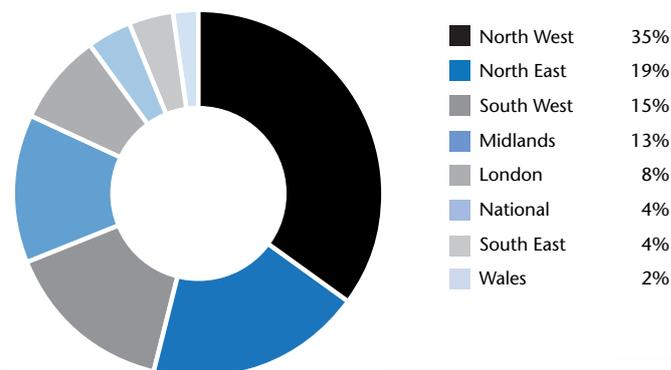
Ground Rents Income Fund plc (GRIF)

Portfolio

Review type



Geography



Top 5 Assets (based on asset valuation)



Ladywell Point Manchester

Cost: £2,575,652
 Value: £3,014,000
 Income: £131,000
 Yield: 4.35%
 Review: Doubles every 10 years



The Gateway Leeds

Cost: £2,360,000
 Value: £2,900,000
 Income: £138,000
 Yield: 4.76%
 Review: Doubles every 25 years



One Park West Liverpool

Cost: £2,700,000
 Value: £3,061,000
 Income: £147,181
 Yield: 4.81%
 Review: Index linked every 25 years



The Hive Masshouse Block M

Cost: £1,065,000
 Value: £1,730,000
 Income: £72,086
 Yield: 4.17%
 Review: Index linked every 10 years



Vita Student at Richmond House, Southampton

Cost: £1,696,800
 Value: £1,696,800
 Income: £70,700
 Yield: 4.17%*
 Review: Index linked every 5 years

*Yield based on net asset cost

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

Data as at 30 June 2014

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.