

18 November 2016

Ground Rents Income Fund plc

(“GRIF”, the “Company”)

New debt facility and £7.8 million acquisition

Ground Rents Income Fund, a listed real estate investment trust (REIT) investing in UK ground rents, announces that it has entered into a new £19.5 million five- year debt facility with the Company’s principal banker, Santander plc.

The Company has drawn down a total of £15 million, of which £8 million has been used to repay its existing short-term facility with Santander and the balance has been used to part fund the acquisition of a 999-year lease on Vita Student Village in York, from Select Property Group for a total of £7.8 million. The balance of £800,000 was paid from cash resources.

Vita Student Village York is to be one of the highest-quality student accommodation schemes in the UK, consisting of 14 three- and four-storey buildings and a converted convent in 6.3 acres of extensively-landscaped grounds. The site is within walking distance of both the University of York and York St John’s University.

Currently under construction and due for completion in September 2017, the village will provide 467 single occupancy studios, 33 dual occupancy studios and 143 self-contained rooms. The asset will produce a total initial ground rent income of £273,537 per annum, with five-yearly reviews based on RPI (uncapped).

James Agar, Investment Director of Brooks Macdonald Funds, Investment Adviser to GRIF, commented: “The refinancing of the GRIF portfolio and this acquisition provides shareholders with a secure and high-quality income-producing asset and underlines our close working relationship with Select Property Group.

“Our aim is to reduce the average review pattern of the portfolio, with York being a perfect example of another five-year reviewing asset, in order to give the net dividend yield a closer correlation to wider inflation”.

The uncertainty around the triggering of article 50, the impact of President elect Trump and the shape of the economic recovery in the UK have all contributed to the price of income increasing, while from a GRIF perspective the long-term, sustained performance of both the NAV and the dividend yield have been extremely pleasing”.

This announcement contains inside information.

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