

Braemar Group PCC Limited

Student Accommodation



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Monthly Summary

April 2010

SHARE CLASS	SEDOL No.	ISIN No.	MEXID No.	LAUNCH DATE	FUND SIZE
STUDENT ACCOMMODATION OEIC	B3FN9Z2	GG00B3FN9Z21	BRUKAT	27/11/2008	£13.6m

Total Return Performance

NAV PER SHARE	ONE MONTH	THREE MONTHS	SIX MONTHS	TWELVE MONTHS	SINCE LAUNCH
131.34p (130.52p MAR 10)	+0.6%	+1.9%	+4.5%	+6.9%	+31.3%

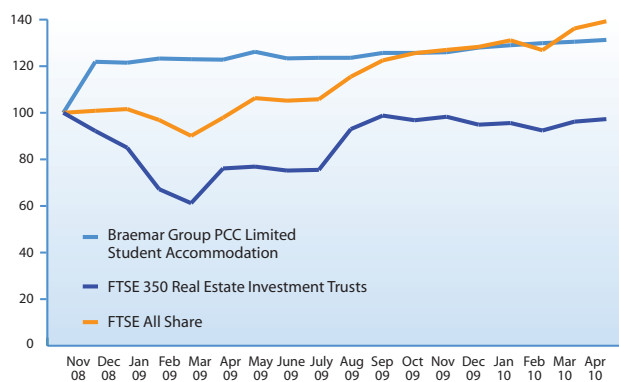
Fund Objectives

The Fund invests in the UK rented student accommodation market, by acquiring established blocks and sites for the development of properties to be run as privately operated halls of residence, with the potential for income generation and capital growth.

Investment Update

The Directors are studying and evaluating further acquisition opportunities. The Fund is demonstrating strengths and consistency with strong performance over the short and medium term.

Performance



Quick Facts

- Minimum initial subscription £10,000
- Monthly subscription and redemption
- No bid/offer spread
- Available for investments to Offshore Bonds, SIPPs, SASSs, Individuals and Trusts
- Listed on Channel Islands Stock Exchange which is recognised by UK FSA and HMRC
- Authorised by Guernsey Financial Services Commission

Sector Review

Confidence in the student accommodation sector is beginning to be reflected in rising rents and values. This was demonstrated by the Q4 increase of 5.7% in the valuation of the portfolio of Unite, the UK's leading developer and manager of student accommodation.

Overview As an asset class, the student accommodation sector is maturing and becoming recognised as an important element of the wider property investment market. Since mid 2009, there has been increased demand for secure income producing assets and demonstrable yield compression. Knight Frank predicts a future growth in values with opportunities for well-located ensuite cluster schemes in top university cities. Given the persistent lack of product in the development pipeline, there remains excellent prospects for resilient financial returns.

According to Knight Frank, early indicators for 2010-11 show that student rents will continue to rise by 5% in the ensuite market. This compares favourably to other commercial rents, highlighting the student accommodation sectors resilience to the downturn.

Tenant Demand University places continue to be competitively sought. Preliminary figures suggest a further increase in demand for places in the 2010/11 academic year, with UCAS reporting a 12% rise in applications at its October deadline.

Rents Rising Student rents have continued to rise, growing by an average of 5% per annum over the six years to 2008/09, significantly more than other commercial property asset classes which averaged 0.6%. In the last academic year 2008/09 to 2009/10 this rise has been even greater. Regional rental growth for this period showed rises of as much as 13% in student rents in Bristol, Leeds and Liverpool, 12% rises in Nottingham, 11% in Cardiff and Leicester, 10% in Edinburgh and London, Birmingham and 9% in Manchester and 7% in Newcastle.

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Market Background

The student housing market is estimated to be worth £6.6 billion currently and is forecast to grow to over £20 billion in the next six years, as student numbers continue to grow, rents rise and more students choose to live in purpose built accommodation. Student accommodation has performed strongly over recent years, with annualised total returns of 10.2% over five years and 12.2% over three years, a stronger performance than the retail, industrial and residential property sectors.



- Student numbers are expected to increase by over 28% by 2014.
- Universities have limited resources for investment in accommodation.
- Overseas student numbers are increasing and they typically look for high specification property that can be occupied 52 weeks a year.
- The House in Multiple Occupation legislation may force some landlords to quit the market.
- Universities often commit to provide accommodation for all their first year students, but, outside London, can only accommodate up to 85% of their intake. In addition, most second and third year students are housed in privately owned accommodation.
- Rental growth within the student accommodation sector has consistently exceeded RPI inflation and this trend is expected to continue.

Portfolio

LOCATION	NUMBER OF APARTMENTS	NUMBER OF BEDS	RENT ROLL	GROSS YIELD %	OCCUPANCY* 2009/2010
MANCHESTER	40	140	£702,240		100%
MANCHESTER	11	37	£185,592		100%
BRISTOL	40	157	£659,877		100%
NEWCASTLE	34	185	£760,030		100%
TOTAL	125	519	£2,307,739	8.35%	

* The rental income is underwritten for each property

Key Operating Statistics

NAV PER SHARE	CASH**	GROSS ASSET VALUE	TOTAL DEBT	FUND GEARING
131.34p (130.52p MAR 10)	£1.4m	£28.5m	£14.8m	52.1%

** Cash held by the Fund together with undrawn facilities agreed with lenders

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