

IMPORTANT ANNOUNCEMENT

A sudden and high level of redemption requests for the Brandeaux ground rent funds has been initiated by a broker on behalf of its clients, seemingly based on the broker's pessimistic view of the general residential property market. Until this event Brandeaux had a healthy level of net subscriptions with more investor money coming in than going out. Although subscriptions have continued to be strong, redemptions have increased markedly across all funds.

The Directors believe that this event will continue to affect redemption levels in Brandeaux funds. This has led the Board of Directors of each of the Brandeaux funds to act swiftly to ensure all shareholders are protected and treated fairly. They have decided, in the interests of all shareholders, to suspend the issue and redemption of shares in all Brandeaux funds, every one of which is performing strongly. This suspension will take place with immediate effect and continue until further notice.

All Brandeaux funds are in positive territory. The Ground Rent funds are, and always have been, debt free. The Student Accommodation Fund has a very low level of debt. In the twelve months to the end of November 2008, Brandeaux's Ground Rent Income Fund has returned +8.01% and Brandeaux Student Accommodation Fund has returned +10.71%. The attached "Fund Returns Update" shows the performance of all funds. The Brandeaux funds are invested in student accommodation and ground rents, not in general residential property, and we are confident that these asset classes will continue to perform well.

A much worse situation than suspending redemptions for shareholders, whether or not they wish to redeem, would be the forced sale of performing assets at knock-down prices. The Directors have no intention of engaging in a fire sale of quality assets. Consequently, the Directors have suspended dealing in all Brandeaux funds in order to protect the interests of all shareholders.

The Directors are already working to develop a plan to resume dealing in the funds and maximise shareholder value. This is expected to be introduced early in 2009. In the meantime the Directors will continue to manage the portfolios in the best interests of all shareholders, as they have done since the Brandeaux funds were launched.

For the Directors of the Brandeaux Funds and on behalf of

Kay Brandeaux
Chairman