

BRANDEAUX UPDATE

BRANDEAUX STERLING FUND

Dear Supporters,

Brandeaux Sterling Fund (“the Fund”), now in its 7th year, is recommended by IFAs to their clients because it combines the two successful asset classes of student accommodation and ground rents. Both asset classes have demonstrated their ability to deliver positive returns during the last 2 years even through the midst of perhaps the worst financial crisis any of us can remember.

The Fund has delivered a return of 5.45%* for 2009. This compares to a return of 9.27%** for 2008. The Fund’s performance for 2009 was underpinned by 60% of its assets invested in Brandeaux Student Accommodation Fund (Sterling) (“BSAF(S)”) which has delivered 10.05%*** for the year. The value of the Fund’s holding in Ground Rent Income Fund (“GRIF”) slipped slightly backwards by about 3% in early 2009, but during the last six months of the year was fully recovered.

Over the last 2 years (1st January 2008 to 31st December 2009) the Fund has produced a total return of 14.72%; an average of 7.36% per annum.

The Fund re-opened in September 2009 for subscriptions into the new “A” share class and has attracted an encouraging level of new investors.

Conversion of Existing Shares into “A” Shares

Investors holding “existing shares” (investments made prior to 12th December 2008), will shortly be offered the opportunity to convert their shareholding into new “A” shares. The conversion date is targeted for the end of March 2010.

The new “A” shares require a redemption notice period of six clear calendar months. Once the conversion has been successfully completed, the directors may exercise their discretion, subject to available liquidity, to advance the redemption date. Existing shares currently remain suspended.

The conversion of existing shares into new “A” shares will follow a similar process to that of BSAF(S).

Outlook for 2010

We are confident that the Fund will perform well in 2010 and continue to deliver positive returns. BSAF(S) is in a strong position to maintain the level of performance of 2009, and GRIF is now expected to make a sound contribution to the Fund's overall performance.

The Brandeaux team is entering 2010 with the same determination and confidence that has made Brandeaux Funds so successful over the last 14 years. 2010 will no doubt present its challenges, and our primary goal is to re-open the remaining Brandeaux funds as quickly as possible while continuing to deliver their historic consistent strong returns.

Our thanks go to the IFA/broker networks, advisers, and dealing platforms that have encouraged and stood by us throughout the past year. Their support has made a vital contribution to the success of re-opening the Brandeaux Funds.

We wish you all a very happy and prosperous 2010.

| Fund | Average Since Launch | Total Return to 31 st December 2009 | | |
|---|----------------------|--|---------|---------|
| | | Last 12 Months | 3 Years | 5 Years |
| Brandeaux Sterling Fund (Launched 10/10/03) | +9.28% | +5.45% | +27.94% | +53.98% |

All returns are net of Brandeaux charges.

Brandeaux Sterling Fund Limited

*Total Return for the year to 31st December 2009, net of Brandeaux charges: 5.45%

**Total Return for the year to 31st December 2008, net of Brandeaux charges: 9.27%

Brandeaux Student Accommodation Fund (Sterling) Limited

***Total Return for the year to 31st December 2009, net of Brandeaux charges: 10.05%

Please contact info@brandeaux.ie for a copy of the Private Placement Memorandum of Brandeaux Sterling Fund Limited.

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Head of Marketing

Adrian Perry

Tel: +353 877 55 88 50

a.perry@brandeaux.com