

The Garratt Residential Property Fund

“90% of the world’s millionaires got there by owning property”

Source: Expat Focus



Key Features

- **Low Entry Level** of £20,000 gives investors easy access to a UK property Portfolio – without the risks and headaches of direct ownership
- **Instant Growth:** Distressed UK Properties purchased at 15% - 20% discount to current values
- **Maximised Returns:**
 - Both **Rental Yields** and **Capital Growth**
 - **Gearing:** 60% - 65% Loan to Value
 - **Timing:** The most dramatic rises are at the end of a market slump
- Average rental streams targeted at 6% p.a.
- Anticipated investment returns of 80% - 100% (35% to 40% even if the housing market remains flat)
- The fund will be liquidated after 5 years
- Monthly Dealing – Quarterly Redemptions
- **Investment Expertise:** Knowledgeable property investment team with 80 years experience
- Available through SIPPs, portfolio bonds or direct investment

Please see Fund Offering Document for full details

The Fund

The Garratt Residential Property Fund is an open-ended SICAV SIF domiciled and regulated in Luxembourg.

Investment Objective

The objective of the Fund is to purchase distressed UK properties in the current market slump, at a further deep discount. The portfolio favours investment in rent-ready properties rather than new builds or those requiring renovation and there is a bias towards properties with tenants already in situ. Holding an anticipated portfolio of approximately 1,000 properties spread throughout the UK, the Fund operates a buy-and-hold strategy with the properties sold at the end of a five-year term and the fund then liquidated.

Once a property has been recognised as returning an average of 6% rental yield, in-line with the Fund’s objective and more importantly can be purchased at a discount of 15%-20% off ‘current day’ RICS valuation, the fund will acquire the property.

With over 80 years combined experience in this market the Fund’s Investment Adviser, through its proven expertise, knowledge, industry contacts and extensive buying power, is able to achieve the expected results.

Illustrative table showing investment returns based on 0%, 5% and 10% average annual capital growth

Average Annual Growth	0%	5%	10%
Capital Invested	£50,000		
5yr Return	£67,767	£94,963	£125,287
Net Profit*	£17,767	£44,963	£75,287
% Profit	36%	90%	151%

*After all charges

This table is based on Share Class A investments

The Garratt Residential Property Fund is established as a SICAV SIF
The Fund is restricted to Institutional and other ‘well informed’ investors

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Why Property and Why Now?

UK Property Market

After almost two years of a falling market, house prices are starting to recover and look set to increase substantially over the next five years. Garratt Property Group Ltd. believes the bottom of the housing market is in sight and the prospect of upside capital gains from this point is considerable.

Not only has a fall off in demand, led by the unavailability of credit, impacted house prices significantly over the past two years, supply has also been constrained. While demand looks set to improve as the Government pressures banks to free up lending, the supply issues are unlikely to be resolved quickly. New builds have been curtailed; a report in Architects Journal states there could be a housing shortfall of as much as 750,000 by 2016.

In August 2009 the National Housing Federation predicted that by 2014 house prices will be 20% higher than current values.

**Average UK House Prices - £ Sterling
From Peak - Aug 2007 to May 2010**



Source: Halifax

Fund Details

Domiciled:	Luxembourg
Investment Adviser:	Garratt Property Group Ltd
Currency:	GBP
Launch Date:	2 nd August 2010
Duration:	The Fund will be liquidated in 5 yrs
Adviser Fee:	0.75% - 1% p.a.
Valuation:	Subscription: Monthly Redemption: Quarterly
Launch Price:	£1,000
Min Subscription:	Initial: £20,000 Subsequent: £5,000

Class	ISIN	BLOOMBERG TICKER
A	LU0442602800	KMGGRAG LX
B	LU0442470463	KMGGRBG LX
C	LU0442469028	KMGGRCG LX

Charging Structure

Share Class	Class A	Class B	Class C
Initial Charge	0%	5%	0%
Adviser Fee	0.75% p.a.	1% p.a.	1% p.a.
Share Creation Charge	0.05% p.m.	0%	0.1% p.m.
Performance Fee	20%	25%	25%
Redemption Charge	N/A*	0%	Yes**

*Class A shareholders are unable to redeem before fund maturity

** Balance of any outstanding Share Creation Charge

All share classes are available to Institutional and 'Well Informed' investors

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