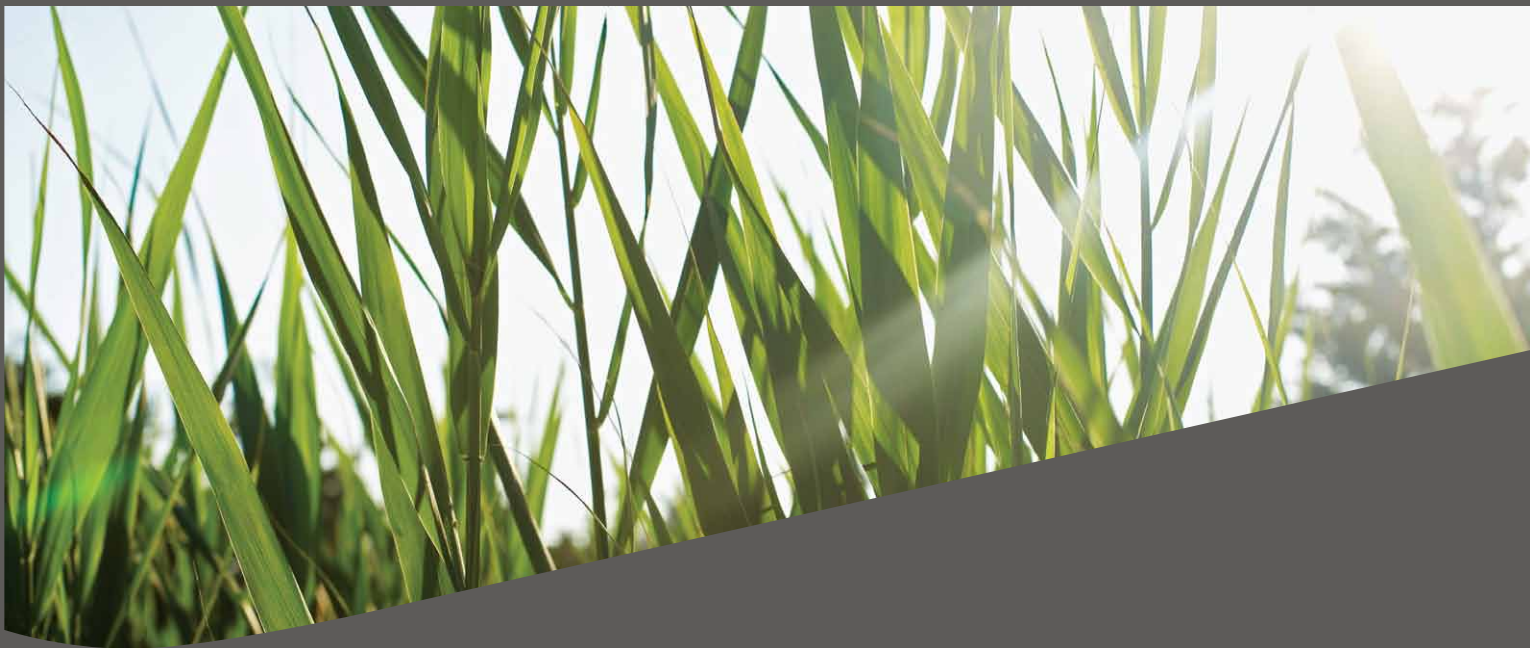


THE LUCENT STRATEGIC LAND FUND

A Dedicated Fund of the KMG SICAV SIF

Investment opportunities in land development
within the United Kingdom



Introducing the Lucent Strategic Land Fund

Strategic land investment in the UK has the potential for generating significant wealth in the coming years. The Lucent Strategic Land Fund has been designed to provide well-informed investors with the opportunity to benefit from the unique circumstances presented by recent economic instability.

Using the skills and experience of the Adviser, The Lucent Strategic Land Fund focuses on the most lucrative stage in the land development cycle. This is known as the 'change of use' or 're-zoning' stage.

Land sites identified as strategically important, but which do not have outline or detailed planning consent, will be acquired with a view to increasing their value by promoting them through the re-zoning or change of use planning process before being sold to a developer.

Only sites which have already been 'allocated' or identified as forming part of a town plan will be acquired by the Fund. This is an integral component of the Fund's buying criteria as it removes the speculative nature of land investment, mitigates planning risk and significantly reduces risk to capital allowing the Investment Manager to target a return in excess of 12% per annum.

The investment opportunity

The intrinsic value in land - a simple case of supply and demand

Land in the UK has historically been some of the most valuable in the world. As one of the world's largest economies, with a relatively limited land mass, demand for land to accommodate UK housing has long exceeded supply.

Despite several large scale house-building initiatives in the second half of the last century, too few homes were built to meet the demands of a growing population. The failure, over an extended period of time, to build sufficient homes to meet each annual rise in demand has created a 'structural deficit'.

Simple economic theory states that where demand exceeds supply, prices will rise unless supply is increased.

A failure to increase supply, coupled with an extremely high population density (particularly in England, which has the highest population density in Europe with 395 people per square kilometre (Source: Office of National Statistics), has caused UK land values to consistently rise above the rate of inflation.

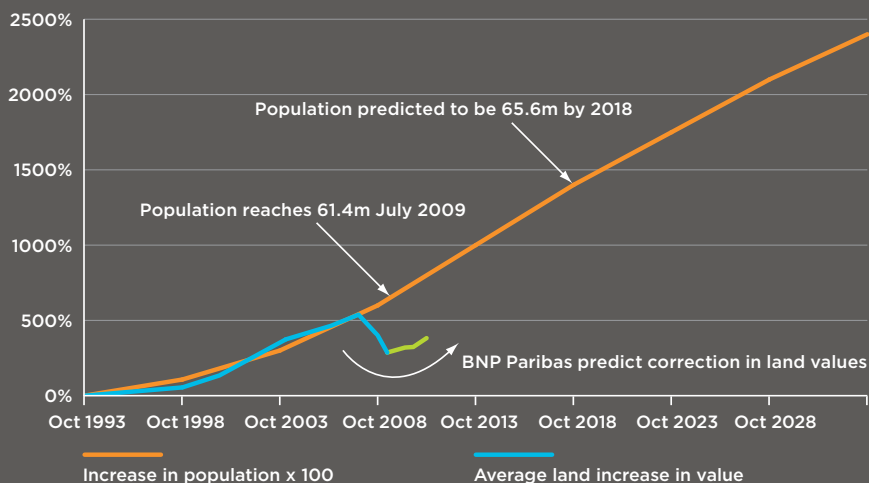
Population growth driving the increase in land values

Recent research has highlighted population growth as the main driver for the increase in residential land values. The graph below illustrates the direct correlation which exists between land values and population; for every 0.01% increase in population growth, land prices have risen 1%, a 1 in 100 relationship.

Residential land has out-performed virtually all other traditional asset classes in the last twenty years, a trend which looks set to continue over the next twenty years if the link between population growth and residential land values continues, particularly in light of the expected increases in population density and growth, which if true, would see the population in the United Kingdom exceed 71 million by 2033. (Source: Office of National Statistics).

Strategic land in the UK is now a more compelling investment than at any point in history.

Average land values vs projected population growth (x 100)



“Land is the basis of all wealth” Adam Smith, the ‘father of modern economics’, in his eighteenth century masterpiece ‘The Wealth of Nations’

There are few asset classes more compelling than land. The link between land and wealth is clear; for generations land has been the cornerstone of wealth creation. Its value is assured from its finite supply, it cannot be manufactured, and new ‘reserves’ will not be discovered.

“LAND IS THE BASIS OF ALL WEALTH”

Adam Smith

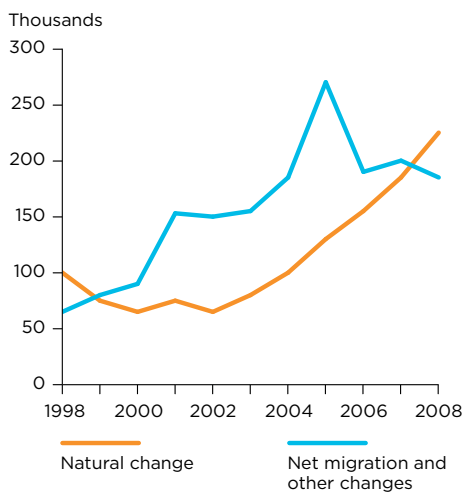




Demographic changes

Demographic changes can play a powerful role in driving a nation's rate of economic growth, as has been the case in Britain over the last two decades. The relative strength of the economy attracted new workers to the UK, particularly over the last decade, which resulted in the structural deficit in housing supply becoming even more acute. However, 'natural change', which is the net result of birth and death rates, is now contributing more to population increases than immigration.

Key drivers in population growth



(Source: Office of National Statistics)

The latest figures produced by the Office for National Statistics show more than 61 million people currently living in the UK and project the population will expand further to 65.6 million people by 2018 and to 71.6 million in 2033.

Improvements in life expectancy from healthier lifestyles and developments in medical sciences are all playing a part in changing the UK's demographics, but changing social trends, such as couples marrying later in life, are also key contributors. By 2031, 18% of the total population of England is projected to live alone, compared with 13% in 2006. Single person households are projected to increase by 163,000 per year, equating to two-thirds of the total increase in projected households over the next 25 years.

Increased demand for housing

Population growth is the main driver of household growth. To meet the increased needs for housing in the future it is predicted that the United Kingdom will need to have a total of 27.8 million houses by 2031.

Housing stock in the UK is currently growing by 185,000 units a year in contrast to the Government target for 240,000; every year the structural deficit in supply and demand widens.

Overwhelming Government support

The Government established new housing targets delivering 3 million new homes by 2020, with 2 million to be completed by 2016, in its paper 'Homes for the future' published in July 2007. To achieve the target for 2016, more than 240,000 net additional households will need to be created every year. Whilst these plans are ambitious, the National Housing and Planning Advice Unit (NHAPU) has estimated a need for 270,000 new homes a year until 2016 to meet demand.

This equates to a need for more than 180,000 acres of new residential land - an area greater than the entire land mass of Singapore - creating an extremely favourable environment for land investors.

A shortage of residential land was identified in the Barker Report commissioned by the UK Government as the key constraint on increasing housing supply to meet demand. Addressing this issue, the planning system has been overhauled to make it easier for land to be re-zoned for residential use, compelling local authorities to assist in meeting targets for new homes.

Momentum for a significant period of house-building, the like of which has not been experienced for half a century, is growing. Huge latent value has built up in UK land which is in the 'path of growth'. Through supplying high-quality land assets, already identified as strategic, substantial investment gains will be achieved over the course of the next few years.

"Every person who invests in well-selected real estate in a growing section of a prosperous community adopts the surest and safest method of becoming independent, for real estate is the basis of wealth."

Theodore Roosevelt 1858 - 1919
(26th President of the United States).

Current conditions provide an unprecedented opportunity for strategic land investors to benefit from overwhelming housing demand pressure.



27.8

**MILLION HOUSES
WILL BE NEEDED
BY 2031**

Benefit from our expertise

Fully exploiting the value in strategic land acquisition requires a range of technical and planning skills to identify suitable land and navigate the planning framework.

Until now the obstacles for most potential land investors have been identifying and acquiring strategic land, and then maximising the value inherent in the 'raw asset'. These obstacles no longer exist.

Investors in the Lucent Strategic Land Fund will benefit from the Adviser's expertise and their ability to identify and secure key strategic land assets, services which they provide to some of the largest insurance, pension and asset managers in the world.

With more than 15 years experience, the executive management of Lucent Advisors Limited has successfully established itself as a niche player in the 'Site Assembly' Arena, a specialist field of land planning. Site Assembly is best described as the preparation of land to enable development through the granting of outline planning consent.

The value in each site acquired by the Fund will be maximised throughout the planning process. Sites will only be acquired where an identifiable need for increased housing supply in that area is supported by a relevant Urban Capacity Study. Risk is at all times minimised and managed through the application of Lucent's expertise and the diligence of its approach.

For the first time, well-informed investors who would otherwise be unable to participate in significant land planning gains can now do so.

Security and stability

The strategic land assets acquired by the Fund are purchased freehold so that the Fund becomes the recorded owner of the land with the UK Land Registry, widely regarded as one of the most stable land registry systems in the world.

All titles and legal documents relating to the land are held in safekeeping by the custodian for the benefit of investors in the Fund.

Plan to gain

Forbes magazine, the leading US business journal which follows the fortunes of successful investors, recently revealed that "Real estate ownership is listed as the prime source of wealth more often than any other occupation."

Little has changed in the last 200 hundred years. The Scottish industrialist Andrew Carnegie, one of the most famous captains of industry observed in the eighteen hundreds that "90% of all millionaires become so through owning real estate."

The Lucent Strategic Land Fund offers well-informed investors the opportunity to be a part of shaping the UK's future whilst benefiting from a proven - indeed the original - means of wealth creation.

To enjoy the benefits of wealth tomorrow, plan today, plan to gain...

**"NO INVESTMENT ON EARTH IS SO SAFE,
SO SURE, SO CERTAIN TO ENRICH ITS
OWNERS AS UNDEVELOPED REALTY"**

GROVER CLEVELAND 1837 - 1908
(22ND AND 24TH PRESIDENT OF THE UNITED STATES)

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Subscriptions are only valid if made on the basis of the current Prospectus, Simplified Prospectus, or Supplement to the latest Prospectus. Furthermore, past performance of any investment is not always indicative of future performance and investments are subject to fluctuations in exchange rates. The value of the fund and its share classes are calculated without taking into account any placement or redemption fees and assuming constant reinvestment of dividends. Investors may not get back the amount they invest.

Full offering documentation and copies of the latest annual and semi-annual reports are obtainable free of charge at the registered office of KMG SICAV – SIF.