

BRANDEAUX UPDATE

BRANDEAUX EURO FUND

Dear Supporters,

Brandeaux Euro Fund (“the Fund”) has continued to perform positively throughout the last 2 years. The Fund has delivered a return of 4.79%* for 2009, with the share price climbing steadily, in spite of perhaps the worst financial crisis any of us can remember. This compares to a return of 6.57%** for 2008 producing a two year total return of 11.36%; an average of 5.68% per annum.

This demonstrates that student accommodation and ground rents, in which the Fund invests, are able to deliver positive returns even in the midst of major financial turmoil.

The Fund’s performance for 2009 has been underpinned by 80% of its assets invested in the Brandeaux Student Accommodation Fund (Sterling) (“BSAF(S)”), which has delivered 10.05%*** for the year. The value of the Fund’s investment in Ground Rent Income Fund (“GRIF”) slipped slightly backwards by about 3% early in 2009, but during the last six months this has been fully recovered.

Outlook for 2010

We are confident the Fund will perform well in 2010 and 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.

Conversion of Existing Shares into “A” Shares

Investors holding “existing shares” (investments made prior to 12th December 2008), can now opt to convert their shareholding into the new “A” class shares. A conversion date has been set for Friday, 5th February 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).

Please see a copy of our Update dated 18th December 2009 about the conversion process. The Update can be viewed on our website at www.brandeaux.com. If you have any queries you may wish to contact Adrian Perry at the address below who will be happy to assist.

Brandeaux US Dollar Fund and Brandeaux Sterling Fund

A Brandeaux Update will follow in the next few days on these two very popular funds. We are targeting the conversion for existing shares in the US Dollar Fund into new "A" shares as soon as the Euro Fund conversion is completed. This will be followed by a similar conversion process for the Brandeaux Sterling Fund. On completion, these funds will be once again fully open.

Brandeaux Ground Rent Funds

We remain confident that the target date of 31st March 2010 to re-open the 3 ground rent funds is realistic, and we will be issuing a more detailed Brandeaux Update shortly.

The Year Ahead

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 Euro Fund (Launched 25/07/03)	+6.81%	+4.79%	+20.47%	+37.84%

All returns are net of Brandeaux charges.

Brandeaux Euro Fund Limited

*Total Return for the year to 31st December 2009, net of Brandeaux charges: 4.79%

**Total Return for the year to 31st December 2008, net of Brandeaux charges: 6.57%

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 Euro Fund Limited.

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