

BRANDEAUX UPDATE

BRANDEAUX HAILS THE SUCCESSFUL RE-OPENING OF ITS STUDENT ACCOMMODATION FUND

and

ANNOUNCES PLANS TO LAUNCH 2 NEW FUNDS

Dear Supporters,

Brandeaux Student Accommodation Fund

The re-opening of Brandeaux's Student Accommodation Fund has been very successful with subscriptions of more than £15 million in the first 7 weeks. As a result of this strong subscription level and demand from institutions and wealth managers in the Far East, Middle East, South America and Europe for a US Dollar and Euro version, Brandeaux has decided to launch student accommodation funds in both of these currencies.

These 2 new funds will be offered on the same terms as the successful Brandeaux Student Accommodation Fund ("BSAF") used by Sterling investors. Both new funds will participate in the existing student accommodation portfolio through BSAF.

We are working toward a June launch date.

Brandeaux Student Accommodation Fund continues to rank 1st in the Lipper Hindsight ranking of 54 UK property funds in performance over the past one, three and five years with returns of +10.78% over the latest 12 months, +34.52% over 3 years, and +58.04% over the 5 year period (to 30th April 2009)*. The outlook for returns continuing at the high end of target of between 8%-10% remains very positive.

Existing investors in BSAF in the share class which was suspended in December 2008, are set to convert into the new share class on 5th June. Shareholders representing well over 75% of the shares in the suspended class have already agreed to the conversion and so all shares will be converted on that date.

Once this is completed BSAF will be fully open again. After the 5th June, it will be possible to request redemptions. It is the Fund directors' intention to accelerate modest redemption requests particularly from 'income takers' and to deal with all other redemption requests as quickly as possible.

*Source: 1, 3 and 5 Year % Total Return in Local Currency to 30/04/09 for UK Property Funds as Reported by Lipper Hindsight, a division of Reuters.

Brandeaux's 3 Dual Asset Funds: Sterling, Euro & US Dollar Funds

We are working on the legal documentation and hope to re-open these 3 dual asset funds within the next two months. As with Brandeaux Student Accommodation Fund, these 3 funds will initially be opened for new subscriptions into a new share class and then existing shareholders will be given the opportunity to convert to the new share class shortly thereafter. We are not yet in a position to announce a precise date for these re-openings, but we will do so as soon as possible.

Ground Rent Funds

We continue to work toward the re-opening of Brandeaux Ground Rent Funds and will shortly issue a separate update on these giving you further information on progress.

Asset sales are progressing to create liquidity but the Directors are not prepared to make 'fire sales'. It is in the interest of all investors that shareholder value is protected.

During 2008, plans were in progress to re-domicile Ground Rent Income Fund from the Isle of Man to the British Virgin Islands. This is to allow the Fund to be opened to a larger investor base and thus improve liquidity. It is also intended to consolidate the 3 Brandeaux ground rent funds into Ground Rent Income Fund. These plans were shelved as a result of the suspension in December. As part of the Fund re-opening process, we are now proceeding with these plans.

Kay's Comments

As Chairman, I want to say a personal 'thank-you' and congratulations to everyone who has worked closely with us to reach this point so successfully.

We have had a very encouraging and helpful amount of cooperation from the life companies, product providers, and dealing platforms in the continuing complex task of re-opening the Brandeaux funds.

We are very aware of the difficulties that IFAs and wealth managers have faced during what can only be described as a 'nuclear winter' as they have been the messengers to their investing clients and dealing with their fears and worries. We understand and appreciate what a tough time it has been to stand on the front line.

It is now springtime, warmer weather is here, and there are more and more positive signs emerging in the world economies that the worst may very well be over. "The tap is now turned back on" and whilst it may not be gushing, the signs are that it is running again, and that is an important step forward.

There are excellent opportunities ahead and we are poised to use every one that we can to benefit all investors in the Brandeaux funds.

Kay Brandeaux
Chairman

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