

Ground Rents Income Fund plc

30 September 2015

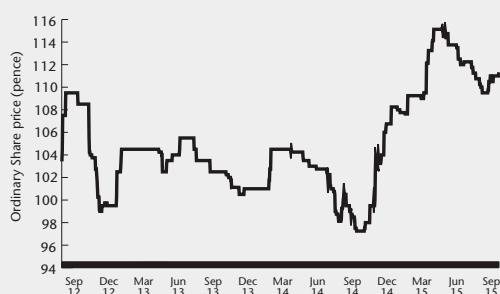
Vita Student at Crosshall, Liverpool

Fund Facts

Launch date: 13/08/2012

Ordinary Share price: 111.25p

Market capitalisation: £103.4m



Ordinary Share:

ISIN: GB00B715WG26

SEDOL (CISEA): B715WG2

SEDOL (SETSqx): B8K0LM4

Ticker: GRI0

Warrant:

ISIN: GB00B8N43P05

SEDOL (CISEA): B8N43P0

SEDOL (SETSqx): B8K0RP9

Ticker: GRIW

Gearing (over total fund size): 5%

Annual management fee: 0.55% of market capitalisation

Performance fee: Nil

Dividend: Quarterly

Quarterly Ex-Dividend date: 26 November 2015

Data as at 30 September 2015

Investment Objective

Ground Rents Income Fund plc (GRIF) is a Real Estate Investment Trust (REIT), listed on the Channel Islands Securities Exchange Authority Limited (CISEA) and traded on the SETSqx platform of the London Stock Exchange.

GRIF's investment strategy is focused on achieving stable, long-term performance by investing in long-dated UK ground rents, which have historically not suffered the same peaks and troughs as the economy and the wider property market.

GRIF's income derives from ground rents and associated income. The company seeks to generate consistent income returns for shareholders by investing in a diversified portfolio of ground rents, including freeholds and head leases of residential, retail and commercial properties located in the UK. The company joined the REIT regime in August 2012.

Market Commentary and Investment Update

Real estate has enjoyed a period of success and mainly positive returns over the past 24 months, driven by the recovery in the global and UK economies and the continued availability of low-cost finance. Within the wider commercial property market this is being evidenced by rental growth across most sectors, leading to an appreciation in asset values.

Our portfolio valuation from Savills as at 30 September 2015 and the corresponding net asset value figure have increased slightly ahead of expectation. Ground rents remain in demand from investors seeking long-term, low-risk, inflation-linked income which is putting downward pressure on valuation yields.

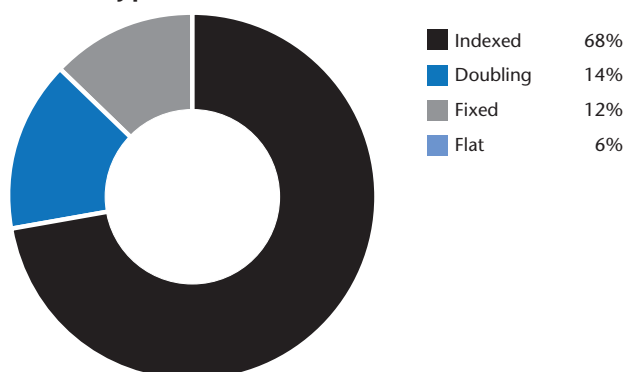
Ground rents have enjoyed contractual rental increases, as is the nature of the underlying asset base, but most of the rise in underlying asset values is a result of the undersupply and strong demand which continues in this niche sector.

Our appointed property manager Braemar Estates has performed well in the period. We believe the company has outperformed the market norms for the collection and recovery of ground rent income and delivered over and above budgeted expectation, in terms of revenue generation from landlord consents and permissions.

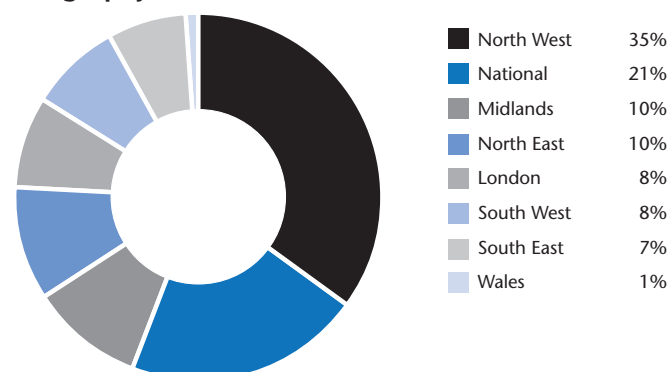
Ground Rents Income Fund plc (GRIF)

Portfolio

Review type



Geography



Data relates to when GRIF will be fully invested and therefore includes assets that have exchanged but not completed. Based on current gross rent roll.

Top 5 Assets (based on asset valuation)



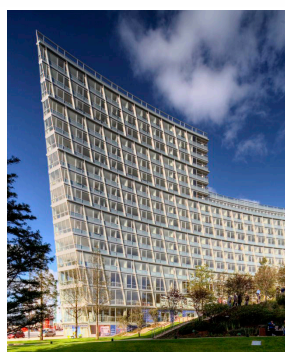
Ladywell Point Manchester

Cost: £2,575,652
Value: £4,454,000
Income: £131,000
Yield: 2.94%
Ground Rent Review: Doubles every 10 years



The Gateway Leeds

Cost: £2,360,000
Value: £3,450,000
Income: £138,000
Yield: 4.00%
Ground Rent Review: Doubles every 25 years



One Park West Liverpool

Cost: £2,700,000
Value: £3,381,000
Income: £150,281
Yield: 4.44%
Ground Rent Review: Index linked every 25 years



Vita Student at First Street, Manchester

Cost: £2,343,600
Value: £2,441,000
Income: £97,650
Yield: 4.00%
Ground Rent Review: Index linked every 10 years



The Hive, Masshouse Block M, Birmingham

Cost: £1,065,000
Value: £2,243,000
Income: £72,086
Yield: 3.21%
Ground Rent Review: Index linked every 10 years

For more information about these assets please visit www.groundrentsincomefund.com

Data as at 30 September 2015

Contact Details

Ground Rents Income Fund plc

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Risk Warning

Investors should be aware that the price of shares in this company, and the income generated, can go down as well as up and that neither is guaranteed. Past performance is not a guide to the future. Investors may not get back the amount invested. Changes in asset value may have an adverse effect on the price or income of an investment. Investors should be aware of the additional risks associated with investment in the UK ground rents market as more particularly set out in part 8 of the Listings Particulars dated 3 May 2013.

The information in this document does not constitute advice or a recommendation and you should not make any investment decisions on the basis of it. This document is for the information of the recipient only and should not be reproduced, copied or made available to others.

GRIF is incorporated in England and Wales Company No. 8041022. Registered Office: 72 Welbeck Street, London W1G 0AY.