

Ground Rents Income Fund plc

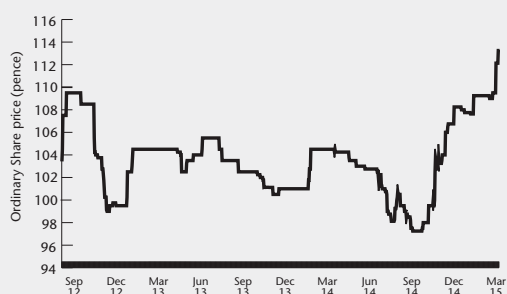
31 March 2015



Smithfield, Manchester

Fund Facts

Launch date:	13/08/2012
Ordinary Share price:	113.25p
Market capitalisation	£105.3m



Ordinary Share:	
ISIN:	GB00B715WG26
SEDOL (CISEA):	B715WG2
SEDOL (SETSqx):	B8K0LM4
Ticker:	GRIW

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: 21 May 2015

Data as at 31 March 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 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

The dramatic falls in the costs of energy over the past 12 months are now being seen in annualised inflation metrics, and the UK is expected to move into a period of deflation in 2015, albeit the consensus is that this will be a short-term position.

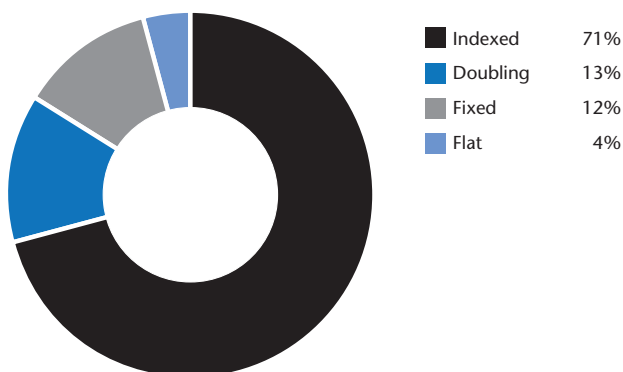
Ground rent assets offer investors protection within this turbulent environment, as ground rent income is upwards only. Certain ground rents have contractual uplifts, such as doubling every 10 years, which would continue for the term of the lease regardless of the prevailing economy, while other ground rents linked to an index, such as RPI, would stand still in a prolonged deflationary environment.

We believe interest rates look set to stay low for longer, with gilt and bond yields following a similar trend. The income premium for ground rents over these comparable instruments continues to look attractive, given ground rents' stable and secure income streams. This is reflected in the increasing trading activity in GRIF's stock and strong share price performance relative to NAV over the last quarter.

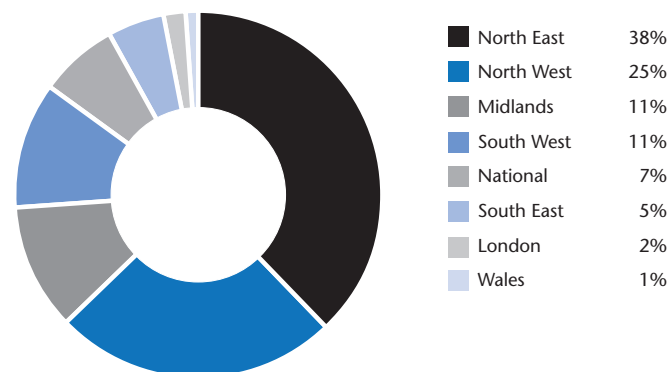
Ground Rents Income Fund plc (GRIF)

Portfolio

Review type

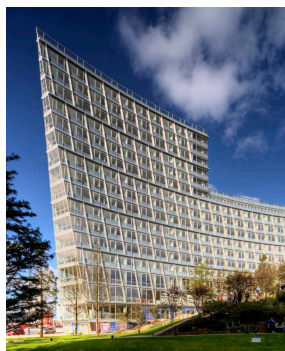


Geography



Data relates to when GRIF will be fully invested and therefore includes assets that have exchanged but not completed.

Top 5 Assets (based on asset valuation)



Asset Name	Cost	Value	Income	Yield	Ground Rent Review
Ladywell Point Manchester	£2,575,652	£3,930,039	£131,000	3.33%	Doubles every 10 years
One Park West Liverpool	£2,700,000	£3,246,000	£150,281	4.63%	Index linked every 25 years
The Gateway Leeds	£2,360,000	£3,040,000	£138,000	4.54%	Doubles every 25 years
Vita Student at First Street, Manchester	£2,343,600	£2,343,600	£97,650	4.17%	Index linked every 10 years
The Hive Masshouse Block M	£1,065,000	£2,163,000	£72,086	3.33%	Index linked every 10 years

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

Data as at 31 March 2015

Contact Details

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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 affect 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: 111 Park Street, London W1K 7JL.