

# LUCENT STRATEGIC LAND FUND

A Dedicated Fund of the KMG SICAV - SIF

Factsheet - January 2015 *This publication is directed solely at professional investors and financial advisors*

Investing for a brighter future

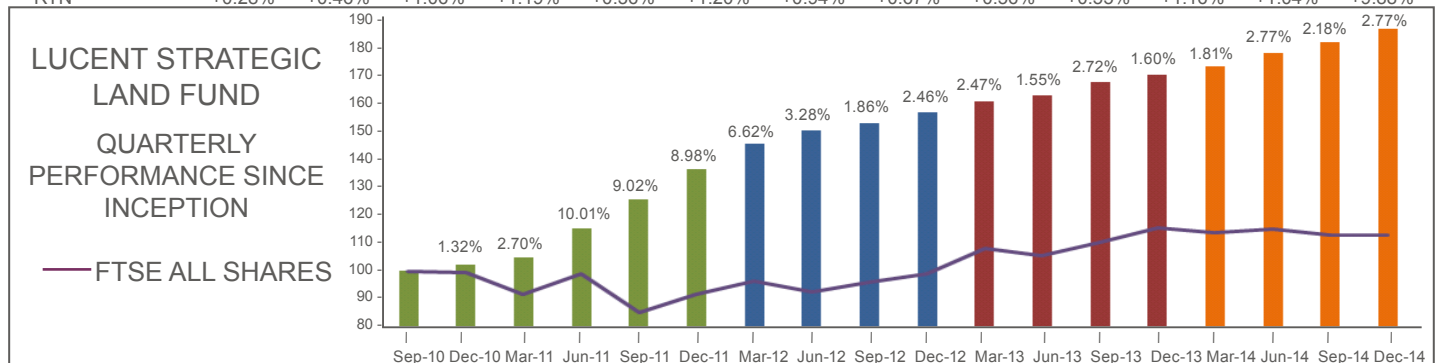
# Lucent



## Lucent Class A GBP Share Price - £1,865.16

(Launched in Sept 2010 at £1,000.00)

Annual Performance		2012 +14.93%		2013 +8.59%		2014 +9.88%		Performance Since Launch Sept 2010					+86.52%	
2012	c/f	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	YTD
Share Price	£1,360.12	£1,389.33	£1,419.23	£1,450.15	£1,470.99	£1,486.77	£1,497.75	£1,509.88	£1,516.05	£1,525.64	£1,547.59	£1,556.68	£1,563.18	-
RTN	-	+2.15%	+2.15%	+2.18%	+1.44%	+1.07%	+0.74%	+0.81%	+0.41%	+0.63%	+1.44%	+0.59%	+0.42%	+14.93%
2013	c/f	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	YTD
Share Price	£1,563.18	£1,567.93	£1,571.51	£1,601.56	£1,610.86	£1,619.71	£1,626.40	£1,633.35	£1,660.09	£1,670.71	£1,679.35	£1,690.93	£1,697.51	-
RTN	-	+0.30%	+0.23%	+1.91%	+0.58%	+0.55%	+0.41%	+0.43%	+1.64%	+0.64%	+0.52%	+0.69%	+0.39%	+8.59%
2014	c/f	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	YTD
Share Price	£1,697.51	£1,702.31	£1,710.17	£1,728.25	£1,748.77	£1,755.15	£1,776.20	£1,792.81	£1,804.80	£1,814.94	£1,824.87	£1,846.04	£1,865.16	-
RTN	-	+0.28%	+0.46%	+1.06%	+1.19%	+0.36%	+1.20%	+0.94%	+0.67%	+0.56%	+0.55%	+1.16%	+1.04%	+9.88%



## FUND OVERVIEW

The Lucent Strategic Land Fund (LSLF) is an Open Ended SICAV-SIF domiciled in Luxembourg and regulated by the "Commission de Surveillance du Secteur Financier" (CSSF), the Luxembourg financial services authority. LSLF commenced operations in September 2010 with the investment objective of providing capital gains in excess of 12% p.a. through a targeted program of investment into land sites in high growth areas throughout England. The fund invests into land (or the contract to buy land) in areas which have been identified for residential development within its relevant Local Plan, but prior to the grant of planning permission. This targeted acquisition strategy is aimed at mitigating planning risk while enabling shareholders to benefit from the largest capital gain anywhere within the real estate cycle.

## INVESTMENT ADVISOR STATEMENT

**Long term:** the key driver behind strategic land in the UK is demographics. Figures from the 2011 Census confirmed that the biggest ever growth in UK population has taken place over the last 10 years and that is compounding the acknowledged problem of a shortage of housing in the UK. The Office of National Statistics expects the UK population to increase nearly 20% in the next 20 years. The UK Government is determined to increase the housing supply which is in turn increasing the demand for land with planning consent.

**Medium term:** it is anticipated that the Government's current efforts to encourage domestic economic growth in the UK by boosting housebuilding will impact as a further stimulus to the demand for strategic land over the next 5 or 6 years. The houses the Government wishes to see built cannot be built until first the increasing demand for land with planning consent is met – exactly what the Fund delivers.

**Short term:** the fund is currently carrying out due diligence on a pipeline of land sites throughout the UK and is expecting to announce further acquisitions in the second half of 2014. These acquisitions are expected to have a positive impact on the share price in the coming months.

## KEY FACTS

Launch Date:	17th September 2010
Launch Price:	GBP 1000 per share
Base Currency:	GBP
Status:	SICAV - SIF, Lux Domiciled
Shares:	Capitalisation
Dealing:	Monthly
Redemption:	Quarterly
Minimum Initial Investment:	Class A: GBP 10,000, USD 15,000, EUR 15,000 Class B: GBP 25,000, USD 40,000, EUR 40,000 Class C: GBP 10,000, USD 15,000 Class A2: GBP 10,000
Annual Management Charge:	Class A and Class A2 = 1.6% pa Class B = 0.85% Class C = 1.75%
Subscription Charge:	Class A and A2 — no charge: 100% allocation Class B and C - maximum 5%
Redemption Charge:	Class A – 6% reducing by 1.2% p.a. over 5 years Class A2 – 5% reducing by 1% p.a. over 5 years Class B – none; 12 month tie in on new investment Class C - no redemption charge
Performance Fee:	20% of any net profits after a monthly hurdle of 0.65% is achieved, equivalent to a compound rate in excess of 8% per annum. A high water mark principle is applied.

## STRATEGY

Regional and National Housebuilders are increasingly focusing their efforts on housing delivery rather than investing in strategic land for development because of the constraints on their equity resources and the need to increase operating margins. Housebuilders are being forced to adapt to a less capital intensive model, which means finding ways of engineering down building costs and focusing on selling houses. Finding more capital effective means of acquiring land ready for development is essential to them.

This has created a gap in the market where the Lucent Strategic Land Fund is ideally positioned to act as the leading platform in preparing and delivering land ready for construction.

Lucent undertakes the acquisition, design, master planning and promotion of strategic sites through the planning process and then sells consented land on to the housebuilder market. This approach is fully aligned with the government's housing delivery initiatives and Localism agenda.

## VALUATION METHODOLOGY

The independent valuation of the Fund's land assets are undertaken regularly by BNP Paribas Real Estate. The methodology of valuation prescribed by the Fund is in accordance with the Royal Institute of Chartered Surveyors 'Red Book' – the acknowledged methodology for the valuation of land assets in the UK.

## CURRENT PROJECTS



PROJECTS	KEY INFORMATION	
<b>Allerdale Investment Partnership</b>	Key Date:	AIP approved - 05/02/2014
	Key Date:	First Planning Permission - Expected Q1 2015
	Project Summary:	JV between Lucent and Allerdale Borough Council to bring multiple sites to planning including mixed use and up to 1,000 new homes
<b>Lincolnshire Lakes</b>	Key Date:	Planning Permission Granted - October 2014
	Key Date:	Work to begin - H1 2015
	Project Summary:	3,000 new homes and commercial park in 2 new villages in a lakeside setting
<b>Royal Pier Waterfront, Southampton</b>	Key Date:	CLDA signed - 28/02/2014
	Key Date:	Planning Permission - Expected Q4 2015
	Project Summary:	35.4 acre mixed use site including residential, hotels, casino, office space & commercial
<b>Peterborough Investment Partnership</b>	Key Date:	PIP signed - 24/12/2014
	Key Date:	First Planning Permission - Expected Q3 2015
	Project Summary:	JV between Lucent and Peterborough City Council to bring several sites to planning including mixed use, leisure centre and up to 750 new homes

NAV PERFORMANCE PER SHARE AS AT: 31/12/2014					GOVERNANCE	
Share Class	Currency	NAV	1 Month	12 Month	Global Investment Manager:	KMG Capital Markets Luxembourg S.A.
A	GBP	1,865.16	+1.04%	+9.88%	Independent Auditor:	Deloitte S.A.
A	USD	1,841.04	+0.98%	+9.34%	Valuer:	BNP Paribas Real Estate
A	EUR	1,878.61	+1.10%	+9.31%	Custodian & Principal Paying agent:	KBL European Private Bankers S.A.
A2	GBP	1,234.09	+1.04%	+9.94%	Administrative Registrar and Transfer Agent:	Kredietrust S.A. Luxembourg
B	GBP	2,003.39	+1.16%	+11.40%	Fund Bankers:	Kredietbank S.A. Luxembourg
B	USD	1,930.92	+1.10%	+10.82%	Legal Advisors:	Global Finance Consult and Elvinger Hoss & Prussen; Eversheds LLP
B	EUR	1,243.09	+1.14%	+10.65%	Domiciliary:	Kredietrust S.A. Luxembourg
					Investment Advisor:	Lucent Advisors Limited
					Tax Advisor:	BDO

SHARE CLASS	£ / \$ / €	ISIN	BLOOMBERG TICKER
A	EUR	LU0517777438	KMGLDAE LX
A	GBP	LU0517777271	KMGLDAG LX
A2	GBP	LU0517777511	KMGLDA2 LX
A	USD	LU0517777354	KMGLDAU LX
B	EUR	LU0517777867	KMGLDBE LX
B	GBP	LU0517777602	KMGLDBG LX
B	USD	LU0517777784	KMGLDBU LX
C	GBP	LU0738362044	KMGLDCS LX
C	USD	LU0738353993	KMGLDCU LX

**The Lucent Strategic Land Fund - Disclaimer:** The Lucent Strategic Land Fund is a Dedicated Fund of KMG SICAV – SIF, a Luxembourg-registered "Société d'Investissement à Capital Variable" organised under Luxembourg Law of 13th February 2007 relating to specialised investment funds (SICAV-SIF) and regulated by the "Commission de Surveillance du Secteur Financier" (CSSF), the Luxembourg financial services authority. In accordance with the risks associated with KMG SICAV – SIF, the shareholders have to be "well-informed", "institutional/professional" investors. No guarantee is given or intended as to the completeness, timeliness, or adequacy of the information provided herewith.

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 reinvestments of dividends. The information given on this page does not constitute an offer nor a product recommendation, it is provided for individual information purposes only. This is not a fund offering as specified by law. Such a document is obtainable free of charge at the registered office of KMG SICAV – SIF.