

BREL - MIXED FUND



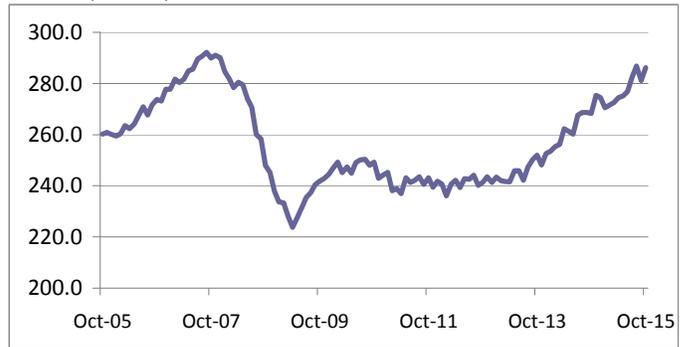
PROPERTY MARKET NEWS

Following a number of years of very little growth since the 2008 property market crash, the third quarter of 2015 has seen positive growth in some areas.

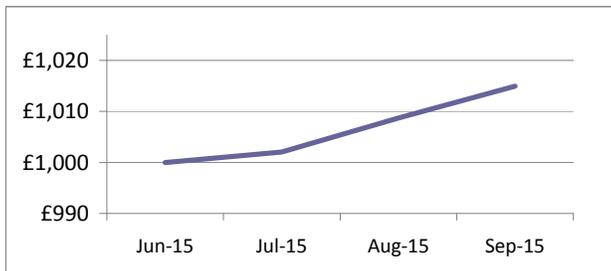
Northamptonshire continues to benefit from the commuter links to London and house price increases are in-line with the rest of the UK. There are still month on month market fluctuations but overall prices in general are moving upwards.

Despite various political statements and key analyst predictions that the UK base interest rate may rise from its six and half year position at 0.5%, it is widely accepted that until the government reaches its new house building targets, the rate cannot be increased. The shortage of housing especially at the lower end will continue to drive prices up in the mid sector.

Northampton 10 year House Price Index



SHARE PERFORMANCE



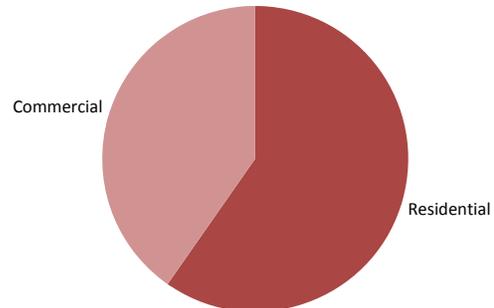
The share price rose during the quarter indicating positive performance in the fund since June 2015.

The increase was primarily due to the rising property market in the UK. Profits in the quarter were partially offset by professional fees incurred on the valuation of properties and some scheduled repair work on one of the properties.

PORTFOLIO POSITION

Residential property represents 59.8% of the portfolio, the average gross rental yield across the residential portfolio is 6.8%. This is strong compared to traditional market rates, especially considering the portfolio comprises of houses as well as apartments where yield is traditionally higher.

The Commercial portfolio represents the remaining 40.2% of value and earns a yield of 7.8%. Historically, commercial yields fluctuate according to the life cycle of the tenants with new tenants often benefitting from reduced initial rents.



PROPERTY BREAKDOWN

Property	Value (£'000)	Annual rent (£)	Yield %
Semilong - completed residential development	742.7	42,600	5.7%
Derngate - restaurant and apartments	680.4	61,260	9.0%
Gold Street - restaurant and apartments	852.2	69,000	8.1%
The Old Bakehouse - restaurant	297.5	12,000	4.0%
Total	2,572.8	184,860	7.2%

The highest value property in the portfolio is Gold Street, which benefits from a good commercial tenant and 5 apartments. Management have been able to perform some scheduled repair work on the commercial premises during the quarter as well as refurbishing one of the apartments without loss of rent.

During Q3 2015 the commercial tenant of the Derngate surrendered their lease at the 5 year break. A new tenant has been found and they plan to open in early December 2015 - there is a reasonable covenant from a successful local restaurateur and we are excited about their plans for the future.

Management were particularly pleased during the quarter to recruit a dedicated estate manager. Their role is to specifically manage properties in this and future funds in order to minimise tenant turnover and maximise revenues. Management had identified this as a weakness and hope that this appointment will further improve the performance of the fund in the future.



CADMAN PROPERTY