

BREL - MIXED FUND

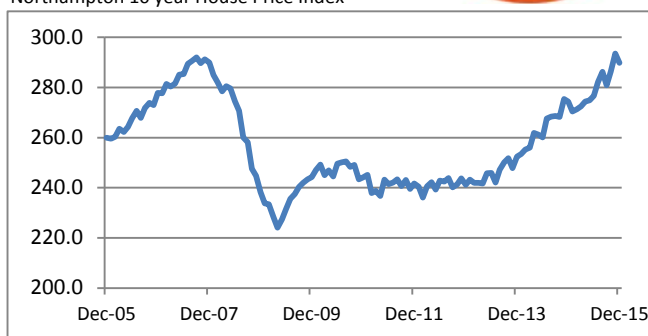


PROPERTY MARKET NEWS

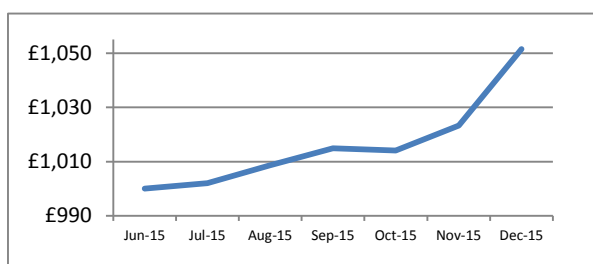
The 4th quarter of 2015 saw continued increases in property prices in the Northampton region. There was the customary seasonal dip in December 2015 (when demand drops) but commentators expect demand to continue in 2016 as a result of the shortage of available housing.

During 2015, the government announced changes to the tax regime for the UK "buy-to-let" market. These changes will influence the market for private investors and therefore the market may see a calming in the rising prices. These changes will however benefit institutional investors and there may be opportunities for investment in competitively priced property in 2016.

Northampton 10 year House Price Index



SHARE PERFORMANCE

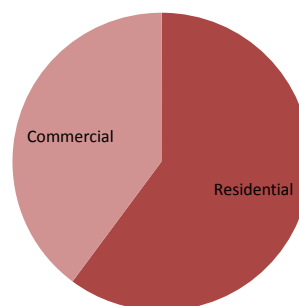


The share price rose during the quarter, including a steep increase in December as a result of the revaluation of the portfolio by an independent local agent.

The share price has increased by 5.1% in the 6 months since June 2015 driven by sustained rents and improved underlying property values. The improved property values are fully reflected in the figures as a result of a full independent valuation carried out as at 31 December 2015.

PORTFOLIO POSITION

The proportion of the portfolio represented by residential property increased to 60.1% during the quarter, the average gross rental yield across the residential portfolio maintained at 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 39.9% of value and yield has increased slightly to 7.9%.



PROPERTY BREAKDOWN

Property	Value (£'000)	Annual rent (£)	Yield %
Semilong - completed residential development	756.0	44,100	5.8%
Derngate - restaurant and apartments	706.0	61,260	8.7%
Gold Street - restaurant and apartments	852.0	70,380	8.3%
The Old Bakehouse - restaurant	303.0	14,004	4.6%
Total	2,617.0	189,744	7.3%

During Q4 2015 the scheduled repair work on the commercial premises at Gold Street concluded and another apartment was refurbished. The apartment refurbishment presented the opportunity to increase the rent on the property and strengthened the portfolio.

In the quarter, the new tenant at Derngate moved in, completed their refurbishment and opened in time for busy festive period. The early indications are that the restaurant has been well received and busy since opening.

At Semilong, some refurbishment requirements have been identified and this work is being scheduled for early 2016.

The property values reflect the revised valuation as at 31 December 2015. The valuation of Derngate increased by 4.3% reflecting both the local apartment market and the improvement in the restaurant tenant. The valuation also increased Semilong and The Old Bakehouse by 2.3% and 2.4% respectively and this reflects the performance of the local market.

The valuation of Gold Street increased by 0.5%, this represented a 3.5% increase in the apartments offset by a decrease in the restaurant valuation due to a reassessment of the covenant by the valuer - management do not have any underlying concerns about this tenant.



CADMAN PROPERTY