



Stenham Secures its First Investment for its Third UK Property Fund

21 April 2008: Stenham, the global property fund manager, has today announced its first investment purchase for the Stenham UK3 Property Fund.

The Fund has secured a one-third share of a prime Grade A landmark office building located at 1 Victoria Street, Westminster, London. The property is let to the First Secretary of State, a government department, on a lease until February 2021, with no break clauses. The next rent review date is 1 January 2011.

The investment is the first purchase for the Stenham UK3 Property Fund and comprises approximately 31,872 sq m (343,975 sq ft) over basement, lower ground floor and eight upper floors. It also has 105 covered car parking spaces.

Paul Arenson, Managing Director of Stenham Property commented: 'The purchase of 1 Victoria Street represents a significant investment purchase for Stenham. We have been able to take advantage of property fund redemptions evident in the market place to acquire value.'

He added: 'This property is attractive to us as it ticked a number of boxes:

- The tenant is the government for at least 13 years which assures our cash flows.
- The rent, at an average of approximately £26 per sq ft, is well below current market levels.
- The initial yield, especially when combined with the prospective yield at the next review, will deliver positive cash flows against cost of funds.
- The unutilised site coverage provides potential for active management, enhancing value in due course.'

The Stenham UK3 Property Fund, launched in March 2008, will be listed on the Channel Island Stock Exchange in June 2008. Stenham will be seeking opportunities for this fund which are cash flow positive and which provide good downside protection in the form of reliable ongoing cash flow and upside potential through opportunities for enhancing rent or value.

Stenham Property currently has approximately £1.4 billion of assets under management of which approximately one third is located in the UK. The company has focused more heavily on opportunities in Germany, Switzerland and Japan over the past three years. Germany currently accounts for over half of its portfolio. It has delivered an aggregate IRR in excess of 25% per annum over the past 12 years on realised properties.

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NOTES TO EDITORS

Stenham Property is a focused Property Fund Manager and is currently invested in over US\$ 4 billion of property assets spread across the UK, Germany, Switzerland and Japan. It has a successful track record of performance in acquiring and selling property investments, and has over 2,000 investors.

Stenham was founded in 1901 and is an independent wealth and asset management group providing financial solutions and products to high net worth private clients and institutions. Stenham currently has in excess of US\$ 6.5 billion under management, with over US\$ 2.5 billion under management in its multi manager hedge fund portfolios and a further US\$ 4 billion in its property investments. It operates from a network of global offices including the UK, the Channel Islands, Switzerland, the Netherlands, South Africa and Israel.