

Sycamore I Strategic Land



Fund Update – Spring 2013

Following the turbulent property market over the last few years the Sycamore Strategic Land Fund has, despite many other funds failing and investors losing their money, managed to continue to survive and we as Asset Managers have managed to protect the Funds' assets. We have also managed to repay all external lending thereby removing the risk of repossession and failure of the Fund. This has allowed us to enter a holding position whilst the property market recovers in the areas where our Projects are located.

The good news is that the start of 2013 has seen an out-pouring of positive reports from UK house-builders with the likes of Barratt announcing 2012 pre-tax profits of 113%, profits at Redrow up by 50% and Taylor Wimpey announcing that its pre-tax profit leapt 106% to £185.3 million in 2012.

As Asset Manager, we will continue to manage the Projects in the Fund and constantly review not only their potential but the viability of disposing of these assets should a competitive price be offered that could, not only recoup monies incurred, but also to offer an opportunity to invest in new Projects which will help restore the NAV to 100%.

Fund Extension

I am delighted to announce that following our recent correspondence with investors, voting at the Extraordinary General Meeting held on 7th May 2013 was overwhelmingly in favour of extending the life of the Fund for an additional 3 year period. I would like to thank you for your confidence and support on this matter and reiterate our commitment to the Fund.

Project Updates

Waterloo Road, Southampton

Current Position: Revised plans submitted

This project for 12 apartments has been on hold until finance is available to commence the build, in the meantime we have been reviewing various strategies to produce a good return and exit the Project. Should we secure a buyer, the Project will be re-planned and we will only apply for funding if we have a secure exit.

Benwick, Cambridgeshire

Current Position: Exit now identified and being negotiated

We are currently well into negotiations with a social housing provider, Circle Anglia, to re-plan this Project and run a construction contract with them to build out the units. Although this would not be quite as profitable as the original building out plan, the continued down-turn in the Cambridgeshire property market would add a significant sales risk hence our proposal which would achieve an exit without a borrowing or sales risk, as the scheme would be funded by a social housing provider.

Greenacres, Cambridgeshire

Current Position: Being rented by Affinity Trust, a long term care charity and generating small income, until market recovers for sale

We still have two bungalows left in the Project and these are currently being rented out. The income is providing a small amount of liquidity for the Fund, however, as the local house values are still fairly weak, we will retain the bungalows until the situation improves.

Dunton Green, Kent

Current Position: Exit identified, planning being revised

This strategic land site was originally intended for housing, however, due to other local sites being favoured for development we were required to look for an alternative scheme. Following repeated reviews of the site and the evaluation of the needs of the local community, we have identified a local requirement for a burial ground. This proposal, which has received the local Parish Council backing, not only draws on the needs of the local community but fits in with current policy. Coupled with the proximity of existing parish facilities in the shape of a hall and chapel we are confident that planning approval can be obtained. We have now commenced discussions with a charity that specialises in green burial sites. The charity is run by one of the pioneers of green burial sites. They help you set up a profitable well run business. We are engaging with all the relevant parties to obtain planning permission. If this scheme is successful, it will see us make a significant step forward in progressing the Fund back towards its original NAV.

Summary

As I mentioned before, although the Fund is currently in a weakened position we are confident that the additional time granted will enable us to restore its position to one of parity. To that end, I confirm that we will continue to work without recompense and will not be taking the annual asset managers fees for the foreseeable future.

Mark Yadegar

Managing Director, AMP Strategic Land Limited

Important Notice

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