

## **Asset Managers Report Year Ended 5<sup>th</sup> April 2012**

**30<sup>th</sup> September 2012**

### **Sycamore Strategic Land Fund**

The Fund closed on January 11<sup>th</sup> 2008 having raised £2,405,000.

### **Current Strategy**

The current property market conditions are still challenging, with properties taking longer to sell and banks lending criteria being more stringent for borrowers. Over the past year the market has shown some signs of improvement and the fund is starting to be able to move on its current projects and will start to acquire further land and development projects.

The overall strategy of maintaining cash and liquidity is still at the forefront and will remain so until the current market conditions improve further.

### **Land Acquisition**

We have continued to flex our strategy in light of the current market conditions and are continuing to pursue projects where we will be applying for planning permission and entering Joint Ventures/Option agreements with land owners. House-builders are starting to build again and we are seeing promising signs of a demand for land with planning permission.

### **Residential Development**

Any projects which involve building houses/apartments continue to be excluded from our selection criteria until our current projects have been sold and the conditions show signs of improvement.

### **Projects in our portfolio**

**Dunton Green near Sevenoaks, Kent** – As a result of the current residential planning situation in Sevenoaks, we have decided to sell some of the interest in this site to the Sycamore V Fund as it may not receive planning in the life of the fund. This has allowed the fund to fully repay Clydesdale Bank and the Fund is now debt free. We are pursuing, conjunction with our planning consultants Barton Willmore, a couple of alternative uses for the site.

**Benwick Cambridgeshire** – This project is currently under negotiation with Circle Anglia, a registered social landlord. The market in Cambridgeshire has been very slow to recover and this option provides an early opportunity to exit the project and allow us to reinvest funds in areas of growth.

**Eastmoor Lane, Doddington, Cambridgeshire** - This project was completed in July 2008. Two of the units have been sold at market value to Mark Yadegar, of the asset manager, which has allowed the fund to complete the repayment of the Clydesdale Bank loans and ensure the Fund is fully unencumbered. The remaining two units have been rented out since completion and will continue to do so for the time being. The rental received is

providing income which is largely covering the on-going costs of the fund. We may consider selling the remaining units should purchasers become available.

**Waterloo Road, Southampton** – This site has been revisited and the plans are currently being resubmitted to allow a more cost effective scheme to be constructed, or allow the site to be sold. It is likely we will recommend the sale of the site as the end user property market is still slow in Southampton and we are being offered substantially better projects in which to invest funds.

**Loan from Sycamore II** – The Loan from Sycamore II to replace part of the loan with Clydesdale Bank has not been utilized in full and enables further liquidity should it be required. It is expected that the loan will be repaid once the fund has achieved profits from current and future projects.

We are pleased with the progress this year, the projects are being sold or developed and the turning of funds is starting to commence. We have identified a number of projects which we could invest in, which will enable the fund to start to achieve strong returns. The current objective of bringing the fund back to its original level, thereby ensuring that investors have not lost their original investment, is still our focussed objective. Once this has been secured the asset manager will work towards achieving a return for investors.

The economic climate over the past 5 years has been unprecedented and is likely to continue for the next few years, we have been working hard to protect and manage the assets within the fund and will continue to do so. I would like to thank all our investors for their continued support.

Further progress reports will be issued as usual throughout the year and when information becomes available.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Mark Yadegar', written in a cursive style.

Mark Yadegar  
Managing Director  
AMP Strategic Land Limited