

# Quarterly Report

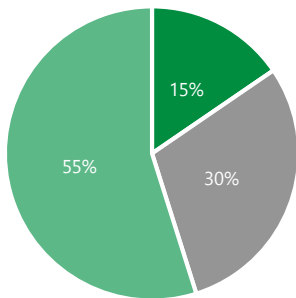
For the period ended December 31, 2018

## Fund Facts

<b>Fund Structure</b>	Closed-ended
<b>Asset Class</b>	Real Estate
<b>Asset Type</b>	Multi-family
<b>Inception</b>	March 2016
<b>Currency</b>	U.S. dollar
<b>Fund Manager</b>	KFH Investment Services, Ltd.
<b>Offering Price</b>	U.S.\$ 1,066 per Share
<b>Total Fund Size</b>	U.S.\$ 98,949,318
<b>Domicile</b>	Cayman Islands

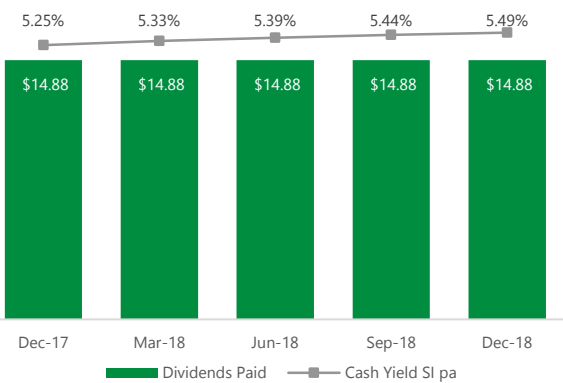
## Underlying Assets

- Portico at Silver Spring Metro - Silver Spring, MD - 151 units
- Twenty400 - Arlington, VA - 217 units
- 1301 at Thomas Circle - Washington, DC - 292 units



## Distributions (per share)

	Dividends	Return of Capital
Current Quarter	\$ 14.88	\$ -
Year to Date	\$ 59.52	\$ -
Since Inception	\$ 170.40	\$ 75.00



Year-to-date dividend yield*	6.0%
Year-to-date dividend yield (annualized)*	6.0%
Cumulative Dividends Since Inception**	14.6%
Capital Returned Since Inception**	7.0%

\* Calculated on the basis of average carrying value  
\*\* Calculated on the basis of initial capital

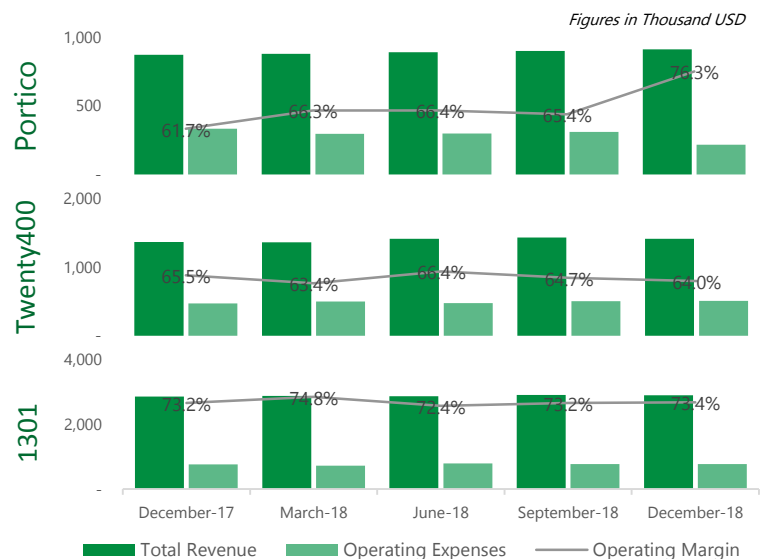
## Market Overview

- Metro DC market achieved job growth of 1.4% in November which is slightly below the national average of 1.5%. Professional/Business Services continues to be the fastest growing sector, having added 20,000 jobs.
- A total of 10,000 new units were delivered in the DC Metro market in 2018. For 2019, total delivery is currently projected at approximately 15,000 units.
- The median income in Metro DC grew to \$110,000 in 2018, an increase of 4.7% YOY, while the median home purchase price grew by 4.3% to a little over \$585,000.
- The outlook for 2019 is similar to 2018 with revenue growth expected between 2-3%.

## Properties Performance Overview

	Occupancy (%)		Effective Rent/Sqft	
	Q4 2018	YOY	Q4 2018	YOY
Portico at Silver Spring	98.86%	2.29%	\$2.00	1.33%
Twenty400	96.53%	0.23%	\$2.07	2.40%
1301 at Thomas Circle	97.90%	0.22%	\$3.65	0.00%
Metro DC Area	95.50%	0.42%	\$1.97	0.51%

- At Portico, the overall impact of supply is less substantial than in the prime DC Metro market. This submarket is attracting buyers as it provides more affordable options than the higher priced DC submarkets. 800 units are expected to be delivered in downtown Silver Spring in early 3rd quarter of 2019.
- At Twenty400, rents have continued to see an incremental increase over the past several months as the new supply in this market has been absorbed. Occupancy rates have remained stable and are expected to be flat to slightly up over the next year.
- The 1301 property has been affected by new supply in DC this year as people are willing to move to neighboring submarkets in search of a deal. Delivery of 6,000 units is expected in DC in 2019. It is expected that rents will remain flat until the new supply is absorbed.



**Disclaimer:** The "Fund" does not constitute a separate legal entity, but rather is used only as a reference to the overall corporate structure for investment for the seven constituent Cayman islands companies.

Certain of the matters discussed in this Quarterly Report about the Fund's future performance, including, without limitation, future revenues, earnings, dividends, strategies, prospects, consequences and all other statements that are not purely historical constitute "forward-looking statements." Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. When used herein, the words "anticipate," "estimate," "believe," "expect," "should," "potential," "forecast," "project," variations of such words and similar expressions are intended to identify forward-looking statements.