

# Quarterly Report

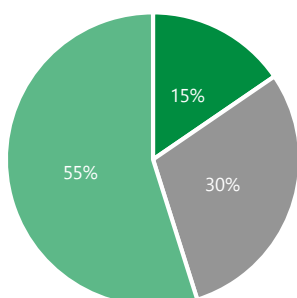
For the period ended September 30, 2018

## 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

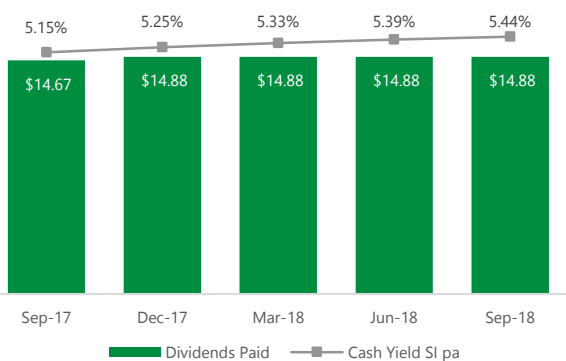
## Underlying Assets

- 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	\$ 44.64	\$ -
Since Inception	\$ 155.52	\$ 75.00



Year-to-date dividend yield*	4.50%
Year-to-date dividend yield (annualized)*	6.01%
Cumulative Dividends Since Inception**	14.59%
Capital Returned Since Inception**	7.04%

\* Calculated on the basis of average carrying value

\*\* Calculated on the basis of initial capital

## Market Overview

- Metro DC market achieved 1.8% job growth in August, outpacing the national average. Professional/Business Services continues to be the fastest growing sector, adding 22,500 jobs.
- Current total delivery projections for 2018 are approximately 10,000 new units. For 2019, current total delivery projections are approximately 16,000 new units.
- Median income in Metro DC of \$112,000 improved by 3.7% YOY, while median home purchase price grew by around 4% at a little over \$420,000.
- The outlook for 2018 continues to be steady with rent and revenue growth expected at 1.5-2.50%. For 2019, revenue growth is expected to be similar to 2018 at 2%.

## Properties Performance Overview

	Occupancy (%)		Effective Rent/Sqft	
	Q3 2018	YOY	Q3 2018	YOY
Portico at Silver Spring	97.69%	-1.02%	\$2.00	0.75%
Twenty400	96.86%	1.48%	\$2.06	0.96%
1301 at Thomas Circle	97.46%	1.43%	\$3.65	0.16%
Metro DC Area	95.90%	0.52%	\$1.98	-0.75%

- At Portico, the impact of supply is less substantial. The submarket is attractive since it is an affordable alternative to the higher priced DC submarkets. It is not expected that the deliveries will have an effect on this property as they will be marketed at a higher price point.
- 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 slightly increased during the third quarter.
- 1301 has been affected by new supply this year, as people are willing to move to neighboring submarkets in search of a deal. It is currently expected that 6,000 units will be delivered in DC in 2019. It is further 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.