

# Quarterly Report

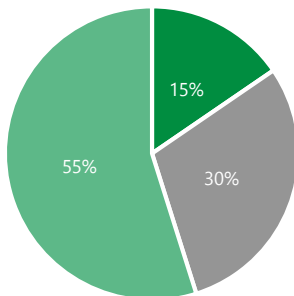
For the period ended June 30, 2018

## 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

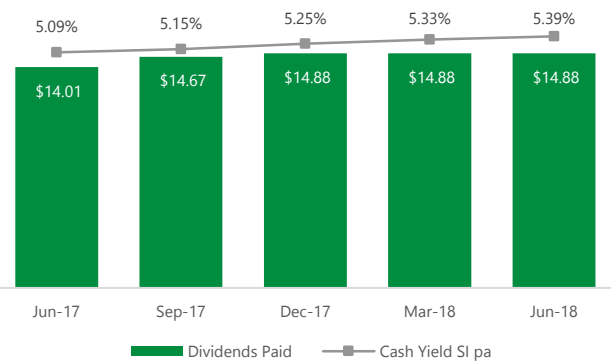
## Underlying Assets

- 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	\$ 29.76	\$ -
Since Inception	\$ 140.64	\$ 75.00



Year-to-date dividend yield*	3.0%
Year-to-date dividend yield (annualized)*	6.0%
Cumulative Dividends Since Inception**	13.19%
Capital Returned Since Inception**	7.04%

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

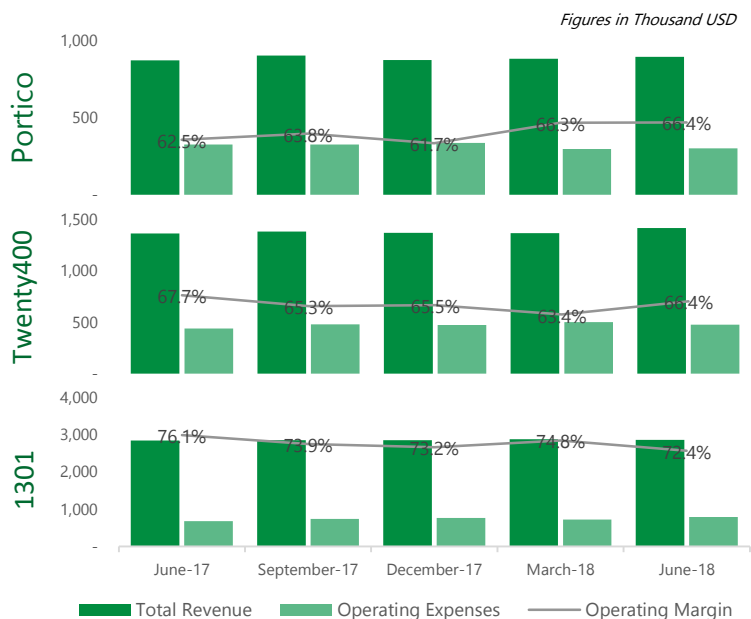
## Market Overview

- Job growth in Metro DC achieved a 1.2% growth rate, outpaced by the national average of 1.5%. Professional/Business Services continues to be the fastest growing sector, adding 12,000 jobs.
- Current total delivery projections for 2018 are similar to 2017 at approximately 10,300 units with completions being pushed back into Q3 and Q4.
- Median income in Metro DC of \$110,000 increased by 4.7% YOY, while median home purchase price remained relatively flat at a little over \$400,000.
- The outlook for 2018 continues to be steady with rent growth expected at 1.5-2.50%.

## Properties Performance Overview

	Occupancy (%)		Effective Rent/Sqft	
	Q2 2018	YOY	Q2 2018	YOY
Portico at Silver Spring	98.33%	-0.13%	\$2.00	0.92%
Twenty400	97.55%	3.12%	\$2.03	-0.53%
1301 at Thomas Circle	97.37%	0.59%	\$3.66	-1.65%
Metro DC Area	95.60%	0.10%	\$1.95	-2.01%

- At Portico, the impact of supply is less substantial. The submarket is attractive since it is an affordable option to the higher priced DC submarkets. There are 2 new buildings being built comprising around 800 units but it is not expected for these to be delivered till late Q1 2019.
- At Twenty400, rents are seeing an incremental increase over the past 90 days as the new supply in this market has been absorbed. Occupancy rates are expected to remain 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 for a deal. It is expected that rents will remain flat until 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.