

# Quarterly Report

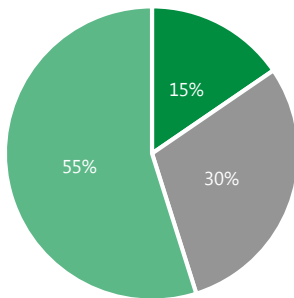
For the period ended March 31, 2018

## 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

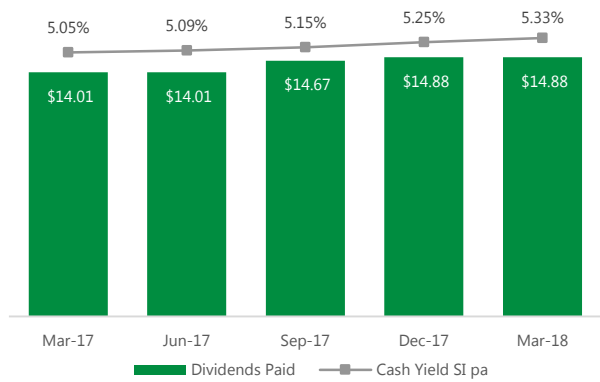
## Underlying Assets

- 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	\$ 14.88	\$ -
Since Inception	\$ 125.76	\$ 75.00



Year-to-date dividend yield*	1.50%
Year-to-date dividend yield (annualized)*	6.0%
Cumulative Dividends Since Inception**	11.80%
Capital Returned Since Inception**	7.04%

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

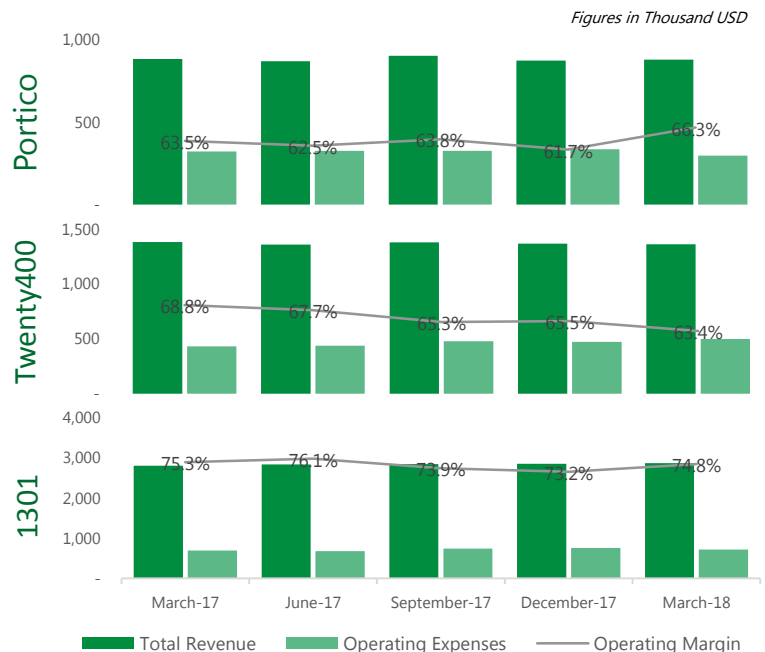
## Market Overview

- Professional and business service job growth in Metro DC achieved a 1.5% growth rate, which was outpaced by the national average of 2.2%, while growth of 2.3% in educational and health services surpassed the national average of 2.1%.
- While current total delivery projections for 2018 are similar to 2017 at roughly 10,500, quarterly completions continue to be pushed back into 3Q and 4Q, offering a favorable year end outlook.
- Median Income in Metro DC of \$110,000 improved 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	
	1Q 2018	YOY	1Q 2018	YOY
Portico at Silver Spring	98.47%	-0.87%	\$1.98	1.02%
Twenty400	96.01%	-0.57%	\$2.03	-0.70%
1301 at Thomas Circle	97.36%	1.12%	\$3.66	-1.61%
Metro DC Area	95.00%	-0.42%	\$1.98	2.06%

- At Portico, supply is less impactful. The submarket is attractive since it is an affordable option to the higher priced DC submarkets. There are 2 new buildings being constructed for a total of around 600 units, but these are not expected to be delivered till late 2019.
- At Twenty400, it is expected that rents can be pushed in 2018 as the new supply in Northern Virginia is absorbed. Occupancy rates are expected to remain flat or be 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. 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.