THE LUCENT STRATEGIC LAND FUND
A Dedicated Fund of the KMG SICAV SIF
Organised under the laws of the Grand-Duchy of Luxembourg
Investment opportunities in land development within the United Kingdom

Lucent Group
Shaping the future today.
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This document is a marketing communication and is not a fund offering as specified by law. It provides summary information only.

The Lucent Strategic Land Fund is a Dedicated Fund of KMG SICAV – SIF, a Luxembourg-registered “Société d’Investissement à Capital Variable” organised under Luxembourg Law of 13th February 2007 relating to specialised investment funds (SICAV-SIF) and regulated by the “Commission de Surveillance du Secteur Financier” (CSSF), the Luxembourg financial services authority. In accordance with the risks associated with KMG SICAV – SIF, eligible entrants into the fund have to be “well-informed”, “institutional/professional” investors. Accordingly, investors should read the risk considerations detailed within the Fund Prospectus.
INTRODUCING THE LUCENT STRATEGIC LAND FUND

Strategic land investment in the UK has the potential for generating significant wealth in the coming years. The Lucent Strategic Land Fund (the Fund) has been designed to provide well-informed investors with the opportunity to benefit from the unique circumstances presented by overwhelming residential land requirement throughout England.

Using the skills and experience of the Adviser, The Lucent Strategic Land Fund focuses on the most lucrative stage in the land development cycle. This is known as the ‘change of use’ or ‘re-zoning’ stage.

Land sites identified by local government as strategically important for future residential or mixed-use development, but which do not have outline or detailed planning consent, will be acquired with a view to increasing their value by promoting them through the re-zoning or change of use planning process before being sold to a developer.

Only sites which have already been identified to form part of a town plan will be acquired by the Fund. This is an integral component of the Fund’s buying criteria as it removes the speculative nature of land investment, mitigates planning risk and significantly reduces risk to capital allowing the Investment Manager to target a return in excess of 12% per annum.

Regional and National Housebuilders are increasingly focusing their efforts on housing delivery rather than investing in strategic land for development because of the constraints on their equity resources and the need to increase operating margins. Housebuilders are being forced to adapt to a less capital intensive model, which means finding ways of engineering down building costs and focusing on selling houses. Finding more capital effective means of acquiring land ready for development is essential to them.

This has created a gap in the market where the Lucent Strategic Land Fund is ideally positioned to act as the leading platform in preparing and delivering land ready for construction. Lucent undertakes the acquisition, design, master planning and promotion of strategic sites and then sells land with planning permission on to the housebuilder market. This approach is fully aligned with the government’s housing delivery initiatives and Localism agenda, as well as, increasing the end housebuilders profitability.

The Investment Opportunity

**The intrinsic value in land - a simple case of supply and demand**

Land in the UK has historically been some of the most valuable in the world. As one of the world’s largest economies, with a relatively limited land mass, demand for land to accommodate UK housing has long exceeded supply.

Despite several large scale housebuilding initiatives in the second half of the last century, too few homes were built to meet the demands of a growing population. The failure, over an extended period of time, to build sufficient homes to meet each annual rise in demand has created a ‘structural deficit’. Simple economic theory states that where demand exceeds supply, prices will rise unless supply is increased. A failure to increase supply, coupled with an extremely high population density (England has the highest population density in Europe with 395 people per square kilometre) has caused UK land values to consistently rise above the rate of inflation.

Population growth driving the increase in land values

Recent research has highlighted population growth as the main driver for the increase in residential land values. The graph below illustrates the direct correlation which exists between land values and population; for every 0.01% increase in population growth, land prices have risen 1%, a 1 in 100 relationship.

Residential land has out-performed virtually all other traditional asset classes in the last twenty years, a trend which looks set to continue over the next twenty years if the link between population growth and residential land values continues, particularly in light of the expected increases in population density and growth, which would see the population in the United Kingdom exceed 71 million by 2033.

Strategic land in the UK is now a more compelling investment than at any point in history.
Demographic Changes

Demographic changes can play a powerful role in driving a nation’s rate of economic growth, as has been the case in Britain over the last two decades. The relative strength of the economy attracted new workers to the UK, particularly over the last decade, which resulted in the structural deficit in housing supply becoming even more acute. However, ‘natural change’, which is the net result of birth and death rates, is now contributing more to population increases than immigration.

Improvements in life expectancy from healthier lifestyles and developments in medical sciences are all playing a part in changing the UK’s demographics, but changing social trends, such as couples marrying later in life, are also key contributors. By 2031, 18% of the total population of England is projected to live alone, compared with 13% in 2006. Single person households are projected to increase by 163,000 per year, equating to two-thirds of the total increase in projected households over the next 25 years.

Increased Demand for Housing

Population growth is the main driver of household growth. To meet the increased needs for housing in the future it is predicted that the United Kingdom will need to have a total of 27.8 million houses by 2031.

Housing stock in the UK grew by 120,000 units in 2009 in contrast to the Government target for 240,000; every year the structural deficit in supply and demand widens*.

Overwhelming Government Support

A shortage of residential land was identified in the Barker Report commissioned by the UK Government as the key constraint on increasing housing supply to meet demand. The National Housing and Planning Advice Unity (NHAU) has estimated a need for 270,000 new homes a year until 2016 to meet demand.

The Government announced ‘The Growth Review’ in March 2011, an ambitious set of proposals for further planning reform. In a Written Ministerial Statement, the Minister of State for Decentralisation stated that ‘the Government’s top priority in reforming the planning system is to promote sustainable economic growth and jobs. Government’s clear expectation is that the answer to development and growth should wherever possible be ‘yes’.

The ‘Localism Bill’ will empower local communities to make decisions regarding development within the context of the requirement to meet local need. The New Homes Bonus will provide a significant additional incentive for Local Authorities to consider development opportunities in their area and ensure proposals come forward for completion. The New Homes Bonus, which commenced in April 2011, will match fund for 6 years any additional council tax raised for new homes; the financial proceeds being paid directly to the Local Authority.

Significant latent demand for housing has built-up. Through supplying high quality land assets, already identified as strategic sites, substantial investment gains will be achieved.

Current conditions provide an unprecedented opportunity for strategic land investors to benefit from overwhelming housing demand pressure.

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Lucent Investment Strategy

The Lucent Strategic Land Fund will seek to achieve the stated investment objective targeting an average return in excess of 12% per annum through investment in land assets which are of identified strategic significance and importance. The value in each site acquired by the Fund will be maximised throughout the planning process and risk is at all times minimised and managed through the application of Lucent’s expertise and the diligence of its approach. To ensure planning risk is mitigated, land assets will only be considered for acquisition if they have been identified for residential development within the emerging Local Development Framework (LDF) or Local Plan (LP) and where there is an identifiable need for increased housing supply as determined by a relevant Urban Capacity Study.

Whilst the Lucent Strategic Land Fund has the potential to invest in assets located throughout the UK, it is intended that the primary focus for the Lucent Strategic Land Fund will be in high growth areas in England where demand for new housing stock is most acute.

As the Advisor’s speciality is in the delivery of land for residential development, it is intended that the vast majority of investment will be in assets whose primary use will be the creation of new homes, or mixed use sites, where the creation of new residential housing stock is at the heart of the development. This will not preclude the Lucent Strategic Land Fund from acquiring a commercial site where a change of use to residential development can be sought to increase the value of the asset.

Following acquisition, the Advisor will progress the site through the planning process to ensure that maximum value can be achieved through the sale of the land to a national house builder following the award of the appropriate planning consent. The Lucent Strategic Land Fund will not take on any development risk. It is expected that the majority of assets will be sold once outline planning permission has been secured, however the Advisor will consider a phased sale of serviced land which matches the development timetable if it will achieve a higher return.

Plan to Gain

Forbes magazine, the leading US business journal which follows the fortunes of successful investors, recently revealed that “Real estate ownership is listed as the prime source of wealth more often than any other occupation.”

The Scottish industrialist Andrew Carnegie, one of the most famous captains of industry observed in the eighteen hundreds that “90% of all millionaires become so through owning real estate”. Little has changed. The Lucent Strategic Land Fund offers well-informed investors the opportunity to be a part of shaping the UK’s future whilst benefiting from a proven – indeed the original – means of wealth creation.

To enjoy the benefits of wealth tomorrow, plan today, plan to gain . . .

“No investment on earth is so safe, so sure, so certain to enrich its owners as undeveloped realty”

Grover Cleveland 1837 – 1908 (22nd and 24th President of the United States).
Site Acquisition Strategy and Investment Process

Lucent operates a “Top-down” analysis of macroeconomic trends in the wider economy as well as demographic, social and political trends or influences to identify land opportunities and growth areas throughout England. These identified growth areas or “Tier 1” locations are where our acquisition strategy is focused.

As well as being in a Tier 1 location, a site must be identified for residential development in either the Local Development Framework (LDF) or the Local Plan (LP) thereby mitigating planning risk to a “when-not-if” scenario. Mixed use development will be considered as long as the residential factor is the driving element behind the financial viability of the project.

Site specific research and analysis of opportunities is carried out by looking at individual assets and specific opportunities to create value through planning and design around that asset in its local market.

The Lucent Approach

Site Analysis

The Lucent Advisors Land Team in conjunction with the Finance Team carries out an initial financial/conceptual analysis to establish whether an opportunity is worth looking at in more detail. The vast majority of opportunities that come across our desks do not make it past this stage on the basis that the quality of the land site is not high enough, we do not feel that they are in a growth area or the financial viability does not meet our investment requirements.

Lucent Advisors’ Board of Directors is involved at an early stage and all new opportunities that make it through the initial screening are reviewed by at least two Board members.

Assuming that a new opportunity does make it through the initial screening then a three month Exclusivity Agreement is required to enable Lucent to carry out the full range of site investigations required for acquisition. These studies take between six to eight weeks to complete.

Detailed financial modelling follows the initial screen. A detailed financial model is created so that all assumptions can be flexed to present a range of scenarios, from the base case, to those required to achieve super-returns. This enables us to see clearly what factors the project returns would be most or least sensitive to.

Before we acquire any land site we carry out extensive due diligence together with our planning and site investigation teams, valuers, legal and tax advisers. This enables us to identify any problems that may exist. Site investigations will also determine any remediation requirements which may affect the final net value achieved per acre and are compiled from a series of desk based and on site tests including:

1. Ground Contamination
2. Geotechnical
3. Ecology
4. Traffic and transportation
5. Utilities
6. Drainage
7. Flooding
8. Agriculture
9. Noise and Vibration
10. Air Quality
11. Landscape and Visual
12. Archaeology
Legal conveyance is expected to run concurrent to the due diligence process, through which, legal searches will ensure the site is not subject to onerous or unusual restrictions, covenants, options or ransoms and any VAT liabilities are taken into account. This ensures that we are fully aware of the status of the site that we are buying and that we have correctly assessed our investment return and financial exposure as a result of such a transaction.

As a result of the detailed due diligence that we carry out at pre-acquisition, our planning experts are able to put together a detailed business plan to ensure that each site is effectively promoted through the planning process and that design efficiency is utilised to maximise profitability. These due diligence studies are then augmented by way of a valuation carried out by BNP Paribas Real Estate or other suitable firm of Chartered Surveyors on our panel.

Final Board sign off by Lucent Advisors is required before any recommendation is made to the GIM of the Lucent Strategic Land Fund, or any binding offers are submitted on their behalf.

Exit Strategy

We ensure that we maximise the potential gain of our assets upon a forward sale by working with top tier end developers, always carrying out buyer due diligence and ensuring that we appoint the best placed agent to handle the sale on our behalf. Our extensive network of contacts includes all major national house builders throughout the UK and enables us to maximise the potential for unsolicited off-market disposals.

Lucent’s position as a site assembly specialist and our close relationship with national house builders means that most sites can be sold by way of an off market transaction. The Lucent exit strategy team is dedicated to working with key regional house builders in order to ensure a forward sale is agreed and executed on the best terms, with the most notable developers at the best price.

Portfolio Diversification

The Group aims to achieve an average spend in the region of £4m to £7m per project. We will also consider larger projects and joint venture opportunities with our preferred institutional partners.

Investment in an individual county will be limited to a maximum of 30% of the total fund size to ensure the fund does not become exposed to local planning issues or the financial strength of one, or a group of, developers active in a particular county. The Fund will also ensure diversification in the expected ultimate land use, this allows for further diversification of purchasers of the land once planning permission has been achieved. The graph opposite illustrates the target asset allocation for the fund on its second anniversary.

Ensuring Portfolio Liquidity

The Directors of the Fund have a number of measures at their disposal to provide for liquidity within the portfolio:

At all times 10% of the Net Asset Value of the Fund is held in cash or near cash instruments. A minimum of 20% of the sites acquired by the fund must be ready realisable, that is have an expected duration of approximately 18 months. Redemptions are permitted on a quarterly basis, per calendar quarter, with one month prior notice.

The Fund has the capability to draw upon a banking facility if needed to meet redemptions of up to 20% of the NAV. In extremis, the Directors of the Fund can limit redemptions to 5% of shares in issue on any one redemption day, whilst we would hope never to have to rely on such measures, taking each of the above measures into account, the Directors would have sufficient resources available to meet redemptions of at least 30% of Fund assets from available cash. Assuming there are no new subscriptions, no cashflow capable of being generated from the 20% of assets being held as ready realisable and no naturally occurring cashflow from the normal course of business, this equates to 18 months of liquidity to meet redemptions in the extreme before any assets would need to be sold.
Valuation Methodology

The value of the land (or the contract to buy land) in land planning projects and the expected appreciation between the total cost and the sale proceeds is not expected to occur in a straight line over the project time frame; instead there is likely to be one or more ‘spikes’ in the value as and when successful planning steps are achieved. The timing of these will be guided by established planning time frames within the emerging Local Development Framework which applies to a specific asset. The fact that these planning time frames are established by government will enable the Adviser to partially anticipate general time frames in which spikes in value should occur. Independent valuations will be used to verify this increase in value.

The plan-lead system – overview

The planning system in England and Wales follows a plan-led system. This involves preparing plans that set out what can be built and where and enables the Adviser to know which strategic land assets are intended to come forward for development. The plan-led system was updated by an Act of Parliament (the Planning and Compulsory Purchase Act) in December 2004.

Generally, increases in value can be expected at the following points as a site is promoted through the Local Development Framework:

- Identification within the Core Strategy
  - First point of potential acquisition
  - Must show excellent prospects for development pending promotion through the Local Development Framework
- Allocation for development within the Local Development Framework
  - Sets legal precedent for development
  - Identified as development land in the Adopted Proposals Map
  - Planning Application developed and submitted
- Outline Planning Permission (Reserved Matters / S106 Agreed)
  - Exit anticipated at this stage
  - Detailed Planning Permission
  - Development begins
  - Phased sale of land may be considered if it will achieve higher return

The Board of Directors of the Fund has established a panel of independent valuers that will provide valuation services in respect of the strategic land assets acquired by the Lucent Strategic Land Fund. This panel is comprised of suitably qualified independent valuers and are leading names in their market place.

Benefit from Our Expertise

Fully exploiting the value in strategic land acquisition requires a range of technical and planning skills to identify suitable land and navigate the planning framework. Until now the obstacles for most potential land investors have been identifying and acquiring strategic land and then maximising the value inherent in the ‘raw asset’. Through the Lucent Strategic Land Fund these obstacles no longer exist.

Investors in the Lucent Strategic Land Fund will benefit from the Adviser’s expertise and their ability to identify, secure and develop key strategic land assets; services which they provide to some of the largest insurance, pension and asset managers in the world.

Site Assembly is best described as the preparation of land to enable development through the granting of outline planning consent.

Lucent Advisors Limited is a land site assembly business led by a senior professional team with combined real estate experience totalling over 75 years and collective transactions exceeding £1bn, incorporating real estate acquisition, planning, development, banking and project management. The Lucent team has an excellent reputation as operational partners acting in multiple joint ventures and co-investments with global institutional investors. With a base in the Isle of Man, the Lucent team are specialists in strategic land site assembly throughout the UK.

Lucent has a comprehensive in house asset advisory capability to oversee all land sites through the planning process, taking control of the site assembly specific opportunities and all strategic decisions such as design work and submitting planning applications. Site assembly projects under management with Lucent have specific returns criteria based on Internal Rate of Return (IRR) expectations. Project expenditure is rigorously scrutinised to ensure that cost savings are accrued throughout the life of each project, always aiming to exceed IRR expectations.
Lucent Structure

Lucent Advisors Limited
Investment Advisor
Directors:
• Charles Flynn
• Marco Pasquale
• Ernest Battey
• Rosamond Flynn
• Michael Flynn

Global Investment Manager
Directors:
• Hanna Duer
• Kevin Mudd
• Paul Pavli

The Lucent Strategic Land Fund

Directors:
• Charles Flynn
• Marco Pasquale
• Ernest Battey
• Rosamond Flynn
• Michael Flynn

Lucent Advisors Board of Directors

Charles Flynn
Chief Executive Officer

Mr. Flynn is the founder and CEO of Lucent Group utilising a depth of experience in real estate and finance with a focus on residential land development. Mr. Flynn has overseen the acquisition, planning development and forward sale of strategic land holdings throughout the UK. Over the last decade Charles has been instrumental in providing a specialist platform for global ‘blue chip’ pension and insurance institutions to invest into the strategic land market in the UK. Mr. Flynn oversees all day to day operations of the Lucent Group and provides for the strategic direction of the company. He graduated from the University of California, Santa Barbara with a BA in History in 1997.

Marco Pasquale
Chairman

Marco Pasquale has over 25 years experience in international commercial real estate and development and is Chairman of Lucent Advisors. In his most recent role as CEO of the Grand Hotel Group in the UK, Marco successfully completed a number of large hotel developments and introduced all operational aspects as well as coordinated the sale of redundant sites which were to be redeveloped for housing. Previous positions held by Mr Pasquale include Executive Vice President of Turin Hotels International, as well as Executive positions with BAA PLC - Hotels Division, Hilton Hotels, Marriott, and Scott’s Hospitality of Canada. Marco provides a valuable contribution to the overall business strategy of Lucent Group with particular focus on commercial development, risk analysis, finance and tax. He holds a dual degree from Trento University, Italy in Commerce & Economics and International Hotel Management.

Ernest Battey
Director

As well as serving on the Board of Directors of the Lucent Group, Mr. Battey is the Executive Chairman of Morgan Sindall Investments Limited overseeing project development and funding to the public sector in the UK to implement sustainable change in health and social care services, education, emergency services, affordable housing, transport infrastructure and broader urban regeneration. Prior to joining Morgan Sindall, Mr. Battey served as an advisor to the UK Government focusing on the use of PFI and PPP arrangements within government departments. Mr. Battey has previously held senior Executive Directorships with major banking institutions heading up International Trade, Corporate and Project Financing divisions. He has also been involved in significant mergers and acquisitions having led the acquisition of Alliance and Leicester on behalf of Santander.
Rosamond Flynn brings with her a breadth of experience in working with institutional and private companies active within the site assembly arena in the UK and has worked with investment clients and development specialists globally. Rosamond Flynn is pivotal in ensuring that client and industry relations are aligned with internal processes to enable exceptional growth of the business. She brings the full weight of her experience in site assembly, land acquisitions, sales and negotiations to Lucent Advisors.

Michael oversees Lucent Advisors’ in house master planning and design analysis and is also the is the founder and director of m3project and a visiting Professor at Harvard University in Landscape Architecture and Design. He holds a BLA with honours from California Polytechnic State University (1999) and an MLA with distinction from Harvard University (2004), where he was awarded the Charles Elliot Travelling Fellowship Alternate ('04 & '06). His work has been published extensively in leading academic and professional journals and has been exhibited internationally, including at the Venice Biennale; the Museum of Modern Art, New York; the Rotterdam Biennale; and the Zollverein Entry Exhibition, Essen Germany.

Kevin has worked within the financial services industry internationally since 1982 and has over 25 years’ offshore experience in managing client assets, building companies and advising clients.

He is a graduate in Economics from the University of Wales and holds an International Certificate for Financial Advisers with the Chartered Insurance Institute (CII).

After graduating, Kevin founded OFS International, an asset management company with more than 15,000 clients on three continents. The firm became Inter-Alliance WorldNet, after a partial sale in 2002 to the largest IFA on the UK stock market.

Kevin became Director of licensed fund manager KMG Capital Markets in 1991. In 1996 he founded the Private Client Portfolio Mutual Fund, introducing the innovative concept of an Asset Allocation Committee, comprising the skills of five renowned investment houses to manage assets. Membership has included such names as: CitiGroup Quilters, Credit Suisse, James Capel and Co and Royal Bank of Canada. Additionally, he is a director of IndemnityFirst, a proven specialist in the Traded Policy market, and a director of FinanceCube, an internet technology platform for portfolio management.

Kevin is currently Chairman of the Board of Cyprus International Financial Services Association (CIFSA). A member of the Board and Vice President of The European Federation of Financial Advisors and Financial Intermediaries (FECIF).

Richard is an experienced Director, having been European Head of Operations for (JP Morgan) Fleming Group, Head of European Funds ABN AMRO Asset Management – Amsterdam and Managing Director of ABN AMRO Investment Funds SA, Luxembourg. He has been a Board member of seven different funds as Director, Managing Director or Chairman.

Richard is currently on the Board of two Real Estate SICAV-SIFs; Mavin Property Fund is developing seven former department store sites into a mix of residential and commercial properties. Karoo Investment Fund, of which Richard is Chairman, buys significant stakes in quoted and unquoted property companies, where it can have significant influence in restructuring the companies’ balance sheets and shaping their strategies.

Richard is experienced with such issues as financing, valuation, IFRS and other accounting issues, as well as development and management related issues, such as dealing with planning permission, contractors, insurance and security, property management and negotiating rental agreements. He is also on the Board and has been involved in the past in the product development and administration of property security funds.

The Fund Board of Directors and the Global Investment Manager (GIM)

The Board of Directors of KMG SICAV-SIF (the “Fund Board”) is responsible for the overall supervision of KMG SICAV-SIF, including the Lucent Strategic Land Fund, and all third party delegations within the framework of the Offering Document and the Luxembourg SIF-law, rules and regulation.

Kevin Mudd  
Director, KMG Capital Markets  
Kevin has worked within the financial services industry internationally since 1982 and has over 25 years’ offshore experience in managing client assets, building companies and advising clients.

He is a graduate in Economics from the University of Wales and holds an International Certificate for Financial Advisers with the Chartered Insurance Institute (CII).

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Richard N. B. Goddard  
Director, KMG Capital Markets  
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Alongside her role as Director for KMG SICAV-SIF S.A., Supreetee sits on the boards of three FCP-SIFs which invest in out-of-town shopping centers and retail parks. Together the three funds manage over 30 properties in six countries. The portfolios have a combined value in excess of €1bn.

Supreetee also sits on the Luxembourg Investment Committee which approves all property acquisitions and disposals, significant capital expenditure and value add projects after evaluating amongst others; expected property level returns and contribution to Fund returns; the investment rationale including SWOT analysis and detailed property level returns and contribution to Fund returns.

Supreetee has over 20 years experience in a variety of industries including financial services and construction and her strengths lie in Property Portfolio Management, Management Company expertise and her extensive knowledge of Operating Procedures and Policies. Supreetee is a member of the Chartered Institute of Management Accountants, the Institute of Directors and the Association of Certified Fraud Accountants.

Vincent J. Derudder graduated in international business and tax law. Vincent has extensive Pan-European experience in the areas of commercial insurance, finance and legal administration.

He is one of the founders of the first financial services trade association created in Europe: he has been since 1999 Secretary General of “Fédération Européenne des Conseils et Intermédiaires Financiers,” a trade body based in Brussels representing 300,000 EU Intermediaries through their national associations.

Vincent has held a variety of senior management roles in various types of organisations, including venture capital funds and insurance brokerages.

He was Managing Director of one of the largest Luxembourg-based Venture Capital funds and in his role as Chairman of the Board, he was responsible for the public listing of one of the first pan European insurance master brokers. Another career highlight was the foundation of Nucleus Euro-Advisers, a Luxembourg-based holding company where he heads the Pan-European operations of this pioneering financial brokerage.

Vincent has gained international experience and expertise in business valuation, investment strategy and portfolio management, including IPO preparation. Vincent is also currently a Director of an EEA Life Company, an EU non-life Insurance Company and a Luxembourg Fund Administrator.

In addition to other professional memberships, Vincent is a life member of the American Association of International Law, a life member of the Association Franco-Britannique. He is also a guest professor in EU Community Law at Bocconi University (Milan) and Paris-Dauphine University (Paris). Vincent is also an author.

Hanna was Chief Investment Officer for Codan, Denmark (the second largest Nordic/Baltic Insurance Company) and holds the position of Director of Stauffenberg Capital Management S.A.; a Fund of Real Estate Funds, SIF-FCP and has vast experience with real estate investments through her employment within large pension and insurance companies.

Her experience includes; direct investments in retail and commercial real estate in Denmark and Sweden, effective management of a portfolio of properties of €700m, management of a real estate investment in a large shopping mall in Denmark where the largest Danish retail supermarket was the tenant.

Privately, she has incorporated a property company with investments in land development in Denmark.
The Fund Board evaluates the investment recommendation from the Global Investment Manager (GIM) and approves the investment or divestment decision. It also reviews the risk and compliance reports prepared by the GIM and ensures that the GIM complies with the Investment Policy Statement, the Risk Management Policy and other Fund documentation as any internal policies and processes which may be established from time to time.

The GIM performs and supervises the performance of the following activities:

- Implementation of the investment policy, objectives and strategy set out for The Lucent Strategic Land Fund
- Monitoring and reporting on compliance with investment restrictions
- Review of and further recommendation to the Fund Board, of the investment recommendations proposed by Lucent Advisers Limited (the “Adviser”)
- Execution of the investments
- Review of the Fund’s Performance and commenting on investment performance and risk reports prepared by the Adviser
- Review of the quarterly investment, risk exposure and compliance reports, ensuring adequate reporting and compliance with investment objectives and SIF regulations
- Preparation of all reporting to the Fund Board meetings
- Monitoring and overseeing the investment advisory services against contracted tasks and responsibilities
- Day to day cash management as well as required currency hedging activities for the Lucent Strategic Land Fund
- Review of and commenting on NAV calculation reports prepared by the Administrator
- Maintenance and development of the procedures of investment management and control
- Preparation of the monthly investor information fact sheets based on information from the Adviser and KBL Central Administration

Lucent Advisers Limited will administer and monitor the portfolio of properties, make investment and strategy recommendations, report on performance and risk, supply information and generally assist the GIM in the performance of its management tasks, in such manner as may be agreed from time to time between them.

Fund Fees and Charges

<table>
<thead>
<tr>
<th>Share Class</th>
<th>A</th>
<th>A2</th>
<th>B</th>
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<tbody>
<tr>
<td>Annual Management Charge</td>
<td>1.6%</td>
<td>1.6%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Initial Charge</td>
<td>No Charge (100% Allocation)</td>
<td>No Charge (100% Allocation)</td>
<td>Up to 5%</td>
</tr>
<tr>
<td>Redemption Charge</td>
<td>6% reducing by 1.2% p/a 1.2% p/a over 5 years</td>
<td>5% reducing by 1% p/a over 5 years</td>
<td>No Charge - but there is a 12 month tie in on new investments</td>
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<tr>
<td>Performance Fee</td>
<td>20% of net profits after a monthly hurdle of 0.65% is achieved (8% p/a) A high watermark principle is applied</td>
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(See the Lucent Strategic Land Fund Prospectus Extract for full details of the different charges)
Further Information

The following Lucent Strategic Land Fund information is available on www.lucentgroup.co.uk/library/fund-literature

- Lucent Strategic Land Fund Brochure
- Lucent Strategic Land Fund Prospectus
- Lucent Strategic Land Fund Application Form
- Monthly Fund Fact Sheet (including N.A.V.)

Fund information can also be found on:

- Bloomberg (www.bloomberg.com - search: Lucent Strategic Land Fund)
- Finesti (www.finesti.com - search Lucent Strategic Land Fund)
- Morning Star (www.morningstar.co.uk - search Lucent Strategic Land Fund)

ISIN Numbers and Bloomberg Ticker

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Applications

Original applications will have to be forwarded fully completed as follows:

First by fax to: European Fund Administration S.A. (EFA)
Attention: Private Equity Dept - AML Section
Fax: (00 352) 48 65 61 86 90

Upon review EFA will respond with any further information required.

Once complete then send by post to: European Fund Administration S.A. (EFA)
2, rue d’Alace
P.O. Box 1725
L-1017 Luxembourg

Applications must be received at latest at 12 p.m. Luxembourg time two Business Days prior to the last business day of the month (the monthly Valuation Day).

Applications received by the Registrar and Transfer Agent after this time are considered for the following Valuation Day.
“Land is the basis of all wealth”

Adam Smith, the ‘father of modern economics’, in his eighteenth century masterpiece ‘The Wealth of Nations’

There are few asset classes more compelling than land. The link between land and wealth is clear; for generations land has been the cornerstone of wealth creation. Its value is assured from its finite supply, it cannot be manufactured, and new ‘reserves’ will not be discovered.
The Lucent Strategic Land Fund - Disclaimer

This document has been prepared for the use of Professional advisors, "well-informed" and other, Professional, Institutional investors. It is provided for individual information purposes only. Any other person should not rely on this document. The views expressed do not constitute investment or any other advice and are subject to change.

Subscriptions are only valid if made on the basis of the current Prospectus, Simplified Prospectus, or Supplement to the latest Prospectus. Furthermore, past performance of any investment is not always indicative of future performance and investments are subject to fluctuations in exchange rates. The value of the fund and its share classes are calculated without taking into account any placement or redemption fees and assuming constant reinvestment of dividends. Investors may not get back the amount they invest.

Full offering documentation and copies of the latest annual and semi-annual reports are obtainable free of charge at the registered office of KMG Sicav – SIF.