



# HOST CAPITAL

GLOBAL FUND MANAGEMENT



## Host Capital

Host Capital UK Student Accommodation  
Umbrella Feeder Trust

**Interim Report and Financial Statements**  
(Unaudited)

*For the period 1 March 2018 to 31 August 2018*



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## Statement of the Authorised Status of the Scheme

The Host Capital UK Student Accommodation Umbrella Feeder Trust (the “Trust”) is a non-UCITS retail scheme (NURS) and umbrella unit trust and authorised by the Financial Conduct Authority (“FCA”) with effect from 25 September 2012.

With effect from 29 July 2016 the Host Capital UK Student Accommodation Feeder Trust changed its name to the Host Capital UK Student Accommodation Umbrella Feeder Trust.

Also effective from 29 July 2016 the Host Capital UK Student Accommodation Class A Net Accumulation Feeder Trust, a sub-fund of the Trust, changed its name to the Host Capital UK Student Accommodation Feeder Trust (the “Feeder Trust”).

The Feeder Trust launched two additional classes of units: Class I Net Accumulation Units and Class I Net Income Units. These additional classes of units had no investors as at 31 August 2018.

The Trust has been wound up with more details given in the Manager’s Report.



## Basis of Reporting

The Host Capital UK Student Accommodation Feeder Trust (“the Feeder Trust”) is the only active sub-fund of the Trust as at the period end. Therefore the Financial Statements of the Feeder Trust as disclosed on pages 10 to 14 represent the financial statements of the Trust for the reporting period 1 March 2018 to 31 August 2018. The previous interim comparatives are for the period 2 September 2016 to 1 March 2017.

These financial statements have been prepared on a cessation basis as described in Note 1.2 on page 13.



## Alternative Investment Fund Managers Directive

The Directive, which was implemented by EU Member States in 2013, covers the management, administration and marketing of alternative investment funds (“AIFs”). Its focus is on regulating alternative investment fund managers (“AIFMs”) established in the EU and prohibits such managers from managing any AIFs or marketing shares in such funds to investors in the EU unless an AIFMD authorisation is granted to the AIFM. The Trust is an AIF whose AIFM is Host Capital Limited, an AIFM for the purpose of the Alternative Investment Fund Managers Directive 2011/61/EU (“AIFMD”).





## Investment Structure

The Trust has one active sub-fund. The Feeder Trust is a feeder NURS fund for the Class Z Accumulation of the Host Capital UK Student Accommodation Fund.

Host Capital UK Student Accommodation Fund (“the PAIF Master Fund”) is an Investment Company with Variable Capital (“the ICVC”) non-UCITS retail scheme and Property Authorised Investment Fund (“the PAIF”).

**Head Office:** 73 New Bond Street, London W1S 1RS

**Authorised Corporate Director (“ACD”):** Host Capital Limited

**Depositary:** NatWest Trustee and Depositary Services Limited

**Property Manager:** Mansion Property Management Limited

**Standing Independent Valuer:** Cushman & Wakefield

### INVESTMENT OBJECTIVE AND POLICY

The investment objective of the PAIF Master Fund is to carry on Property Investment Business and to manage cash raised from investors for investment in Property Investment Business with the aim of providing investors with regular income and some capital growth over the longer term.

The PAIF Master Fund’s policy was to invest not less than 60% of its assets in UK commercial and residential property and in shares or units of UK or non-UK real estate investment trusts. The property assets the PAIF Master Fund intended to acquire were freehold interests or long-term leasehold interests in properties located in the top 30 (measured by student population) university towns and cities of the UK. The properties were either purpose built student accommodation or other buildings (i.e. offices or hostels, hotels, serviced apartments or residences which could be adapted for use as student accommodation). Cluster flats are student rooms grouped around a shared kitchen, living and bathroom facilities whereas studios have their own kitchen and bathroom facilities. In some instances, the assets acquired would also contain some ancillary retail, office or other commercial accommodation but these areas would rarely amount to any more than 20% of the overall accommodation.

The unaudited interim report for the PAIF Master Fund will be published on the ACD’s website [www.hostcapital.com](http://www.hostcapital.com) or is available from the ACD on request by calling +44(0) 207 290 9490 during normal business hours.



## Accounting and Distribution Dates

	Accounting	Distribution	Distribution payable
Initial offer period commenced	15 November 2012		
Launch date	14 December 2012		
Interim	31 August 2018	N/A	N/A
Final	28 February 2019	N/A	N/A

### RISK WARNING

Investors should be aware that there are risks inherent in the holding of investments.

An investment in a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested.

Past performance is not a guide to future performance.







## Comparative Table

### PERFORMANCE RECORD

The table below summarises the financial highlights per unit in issue:

	Period ended 31.08.18 GBp	Period ended 28.02.18 GBp	Year ended 01.09.16 GBp
<b>Change in net assets per unit</b>			
Opening net asset value per unit	315.02	113.22	108.32
Return before operating charges <sup>1</sup>	8.98	206.18	4.94
Operating charges (stand alone) for the period <sup>2</sup>	(2.46)	(4.38)	(0.04)
Return after operating changes <sup>3</sup>	6.52	201.80	4.90
Gross distributions on accumulation units	–	(5.24)	4.93
Accumulation distributions reinvested	–	5.24	(4.93)
<b>Closing net asset value per unit <sup>4</sup></b>	<b>321.54</b> <sup>10</sup>	315.02	113.22
After direct transaction cost of: <sup>5</sup>	–	–	–
<b>Performance</b>			
(Loss)/return after charges <sup>6</sup>	2.07%	178.23%	4.53%
<b>Other information</b>			
Closing net asset value	GBP 85,392	GBP 83,660	GBP 3,747,949
Closing number of units	26,557.15	26,557.15	3,310,234.29
Operating charges (%) (stand alone) <sup>7</sup>	0.93%	2.72%	0.91%
Operating charges (%) (look through) <sup>7</sup>	1.95%	6.18%	4.02%
Property charges (%) (look through) <sup>8</sup>	–%	4.43%	3.13%
Direct transaction cost (stand alone)	–%	–%	–%
Direct transaction cost (%) (look through) <sup>9</sup>	–%	0.01%	0.05%
<b>Prices</b>			
Highest unit price	–	125.32 GBp	113.41 GBp
Lowest unit price	–	105.21 GBp	107.55 GBp

#### Notes

- Return before operating charges:  
Calculated as the "Return after operating charges" plus "operating charges."
- Operating charges:  
The Operating Charges show the relevant operating expenses for the period ended, excluding performance fees, expressed by reference to the average number of units in issue during the year. The Feeder Trust does not pay performance fees therefore they were not taken into account.
- Return after operating charges:  
Calculated as the "closing net asset value per unit" plus the "distributions on income units" minus the "opening net asset value per unit." The Feeder Trust is not a distributing fund therefore no distributions have been taken into account.
- The net asset value per unit is different to the published net asset value at 12 noon due to transactions processed for financial statement purposes.
- Total direct transaction costs of purchasing and selling expressed by reference to the average of the number of units in issue at each valuation point during the period. The impact of transaction cost was not reduced by dilution levy charged to the redeeming investors where applicable.
- (Loss)/Return after charges:  
Calculated as the "return after operating charges" per unit divided by the "opening net asset value per unit."
- Operating charges percentage:  
The Operating Charges show the relevant operating expenses for the period as a single percentage of the average net asset value over the same period and are indicative of costs that are applied on an ongoing basis.
- Property charges percentage: The Property Charges show the relevant property expenses of the PAIF Master Fund for the reporting period as a single percentage of the average net asset value during the part of the accounting period for which the property was owned. Property expenses exclude the transaction costs of purchasing and selling properties.
- Direct transaction cost percentage: The Transaction Charges show the relevant cost of purchasing and selling a property/investment asset of the PAIF Master Fund for the reporting period as a single percentage of the average net asset value over the same period. The impact of transaction cost related to the selling of property was not reduced by dilution levy charged to the redeeming investors where applicable.
- The unit price as per the Net Asset Value calculated as at 31 August 2018.



## Statement of Manager's Responsibilities

The Manager is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (the "COLL" Sourcebook) and the FCA's Investment Funds Sourcebook (the "FUND" Sourcebook) requires the Manager to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the net revenue/expense and of the net capital gains/losses on the scheme property of the Trust for that year. In preparing those financial statements, the Manager is required to:

- select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
- make suitable judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in accordance with the requirements of the Investment Association (formerly the Investment Management Association) Statement of Recommended Practice (the "IA SORP"); and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable it to ensure that the financial statements comply with the COLL and FUND Sourcebooks. The Manager is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## Manager's Report

This report has been prepared in accordance with the requirements of the COLL and FUND Sourcebooks as issued and amended by the Financial Conduct Authority.

Director  
HOST CAPITAL LIMITED  
*Manager and Investment Manager*

28 August 2019

Director  
HOST CAPITAL LIMITED  
*Manager and Investment Manager*

28 August 2019





### PAIF MASTER FUND / TRUST WINDING-UP UPDATE

#### Suspension of Dealing

In the shareholder / unitholder letter issued 28 October 2016, the investors were made aware that the PAIF Master Fund's ACD and the Trust Manager, together with the PAIF Master Fund's Depositary and the Trust's Trustee, had assessed the future viability of the PAIF Master Fund and the Trust and decided that it would be in the best interests of all investors if dealing in the PAIF Master Fund and the Trust was suspended with immediate effect with a view to move towards the gradual winding-up of the PAIF Master Fund and the Trust.

#### Property Portfolio Disposal

The subsequent investor communications kept investors up-to-date on the winding-up progress of the PAIF Master Fund and the Trust which included the updates on the two remaining property assets disposal progress. The PAIF Master Fund's ACD concluded the disposal on 14 July 2017.

#### Winding-up Commencement

Following the disposal of the property assets, an application was made to FCA for permission to initiate the winding-up of the PAIF Master Fund and the Trust and to extend the annual accounting period to 28 February 2018. The extension of the accounting period was requested to combine the usual annual audit with the required winding-up audit of the PAIF Master Fund and the Trust. The FCA approval was granted on 25 August 2017. The PAIF Master Fund and the Trust prospectuses were subsequently updated to reflect the winding-up state of the PAIF Master Fund and the Trust as well as to note the change to the accounting period end.

#### Interim and Final Distributions

The PAIF Master Fund's ACD and the Trust Manager distributed the majority of the property assets sale proceeds to investors (over 95% of the PAIF Master Fund and the Trust NAV) by way of two interim return of capital distributions which were processed on 4 September 2017 and on 2 March 2018, respectively. The final smaller distribution was made to investors on 22 October 2018 following the completion of the PAIF Master Fund's final debtor / creditor position review and reconciliation.

#### Winding-up Completion

With the realisation of the PAIF Master Fund's assets now complete and with the final sale proceeds net of remaining liabilities distributed to investors on 22 October 2018, the PAIF Master Fund and the Trust's winding-up process has been finished. The PAIF Master Fund's ACD and the Trust Manager is currently working on preparing the PAIF Master Fund's Final Account and the Trust's final set of financial statements. The interim financial statements and the Final Account will be accessible via the ACD's web-site [www.hostcapital.com](http://www.hostcapital.com).

#### The Trustee Entity Changes

Following the financial crisis in 2008 the UK government mandated a series of structural reforms to the banking sector as part of the Banking Reform Act which are designed to make banking safer and to help protect the UK economy. UK banks are required by law to separate everyday banking services from investment banking. This separation is called ring-fencing, with the everyday banking services being carried out from within a new ring-fenced bank.

The new law became effective on 1 January 2019, and to prepare for it the Trustee of the Trust, needed to make some changes to the way its group company was structured. As such it has now become part of the ring-fenced bank, however the Trustee activity (as well as the Depositary activity) needed to be placed outside of the ring-fenced bank. This was achieved by establishing a new UK firm, NatWest Trustee and Depositary Services Limited ("NWTDS") on 15 October 2018. The establishment of NWTDS is not expected to result in any change to how the Trustee provides its services and fulfils its obligations to the Trust. The National Westminster Bank Plc staff have been transferred to NWTDS and will continue performing the same roles and providing the same services to the Trust as previously.





## Data Protection

General Data Protection Regulation 2016 came into force on the 25 May 2018.

The use of personal data is covered by the Manager's registration as a "data controller". Any personal data provided by the Unitholders is on a contractual basis and is used to enable the Manager to provide the services as set out in the Feeder Trust's Prospectus.

Unitholder personal data is stored and processed by computer systems within the UK so that the Manager can provide the services required. Such information may be passed on to third party service providers and other counterparties, such as Trustees, Auditors, Legal Advisors, used by the Manager in relation to provision of the services to the Feeder Trust; where these third party providers and other counterparties may be outside of the EEA or international organisations, the Manager ensures that all overseas transfers are subject to appropriate safeguards such as data encryption and applicable data protection laws or enforceable contracts.

Primarily the Unitholder personal data is held by the Manager and the Administrator and is subject to data processing. The Manager and the Administrator will keep the personal data for up to 7 years after the Feeder Trust has ended, or up to 7 years after the earlier end of the Feeder Trust's contractual relationship with the Manager, for regulatory and legal purposes.

Unitholder personal data may be disclosed to external parties such as the Feeder Trust's authorised distributors or the Manager's group companies and affiliates as necessary for the provision of enhanced Unitholders' related services and (subject to the application of the local laws/and or regulations) be used outside the United Kingdom and may therefore be potentially subject to the scrutiny of regulatory and tax authorities outside the United Kingdom. A full list of the Feeder Trust's Sponsors, authorised distributors and the Manager's group companies and affiliates is available from the Manager on request.

Unitholders may contact the Manager in writing to Transfer Agent Services, Host Capital Limited, 73 New Bond Street, London, W1S 1RS or by calling 0207 290 9411 to correct their personal data or, obtain a copy of their personal data held by the Manager, object to the processing, request restriction of processing, exercise their right to data portability, request an erasure or request information pertaining to automated decision making. Unitholders should note that so the Manager can fulfil their contractual obligation, Unitholders' personal data cannot be deleted for up to 7 years after the Feeder Trust has ended, or up to 7 years after the earlier end of the Feeder Trust's contractual relationship with the Manager.

To assist in confirming a Unitholder's identity, the Manager may make searches with credit reference agency, SmartCheck, giving special categories of Unitholder's personal data (this is name, address, NI number) who will supply the Manager with credit information, as well as information from other sources such as the UK electoral register. Some of the data transfers to the credit reference agency will be overseas. The Manager has a regulatory obligation and a legitimate interest to conduct these searches. The Manager will retain any detail information where required only to the point necessary to make decision.

If you have a complaint you may write to the Head of Compliance, Host Capital Limited, 73 New Bond Street, London, W1S 1RS or call 0207 290 9490. If we are unable to resolve your complaint pertaining to your data, you can lodge a complaint with the Information Commissioner here at [www.ico.org.uk](http://www.ico.org.uk).

For further information on the Manager's arrangements relating to personal data protection, please refer to the Privacy Policy published on the Manager's website [www.hostcapital.com](http://www.hostcapital.com).

HOST CAPITAL LIMITED  
*Manager and Investment Manager*

28 August 2019





**Portfolio Statement** as at 31 August 2018

	Holdings	Market Value £'000	31 August 2018 Total Net Assets %	28 February 2018 Total Net Assets %
<b>Investments in Collective Investment Schemes</b>				
Host Capital UK Student Accommodation Fund Class Z Accumulation Shares	12,543	43	50.58	52.38
<b>Portfolio of investments</b>		<b>43</b>	<b>50.58</b>	<b>52.38</b>
<b>Net other assets</b>		<b>42</b>	<b>49.42</b>	<b>47.62</b>
<b>Total net assets</b>		<b>85</b>	<b>100.00</b>	<b>100.00</b>



## Financial Statements

### STATEMENT OF TOTAL RETURN

FOR THE PERIOD 1 MARCH 2018 TO 31 AUGUST 2018

	Notes	Feeder Trust		Feeder Trust	
		01.03.18 to 31.08.18		02.09.16 to 01.03.17	
		£000	£000	£000	£000
<b>Income</b>					
Net capital loss			(1)		(78)
Revenue		–		139	
Expenses		2		(43)	
Net revenue before taxation		2		96	
Taxation		–		(25)	
Net revenue after taxation	2		2		71
Total return before distributions			1		(7)
Distributions	2		–		(114)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>1</b>		<b>(121)</b>

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE PERIOD 1 MARCH 2018 TO 31 AUGUST 2018

	Feeder Trust		Feeder Trust	
	01.03.18 to 31.08.18		02.09.16 to 01.03.17	
	£000	£000	£000	£000
<b>Opening net assets attributable to unitholders</b>		<b>84</b>		<b>3,748</b>
Amounts receivable on creation of units	–		–	
Less: Amounts payable on cancellation of units	–		(108)	
		–		(108)
Dilution levy		–		2
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>1</b>		<b>(121)</b>
Retained distributions on accumulation units		–		114
<b>Closing net assets attributable to unitholders</b>		<b>85</b>		<b>3,635</b>

The accompanying notes are an integral part of these financial statements.





**BALANCE SHEET**

FOR THE PERIOD 1 MARCH 2018 TO 31 AUGUST 2018

	Feeder Trust		Feeder Trust	
	Period ended 31.08.18		Period ended 28.02.18	
	£000	£000	£000	£000
<b>Current assets</b>				
Investment assets	43		44	
Debtors	–		153	
Cash and bank balances	72		58	
			<hr/>	
Total current assets		115		255
		<hr/>		<hr/>
<b>Total assets</b>		<b>115</b>		<b>255</b>
		<hr/>		<hr/>
<b>Liabilities</b>				
Creditors	(30)		(171)	
	<hr/>		<hr/>	
<b>Total liabilities</b>		<b>(30)</b>		<b>(171)</b>
		<hr/>		<hr/>
<b>Net assets attributable to unitholders</b>		<b>85</b>		<b>84</b>
		<hr/>		<hr/>

The accompanying notes are an integral part of these financial statements.



**STATEMENT OF CASH FLOWS**

FOR THE PERIOD 1 MARCH 2018 TO 31 AUGUST 2018

	Notes	Feeder Trust		Feeder Trust	
		01.03.18 to 31.08.18		02.09.16 to 01.03.17	
		£000	£000	£000	£000
Net cash flows from operating activities	3		(19)		(28)
<b>Cash flows from investing activities</b>					
Proceeds from sale of investments		153		184	
Paid for the purchase of investments		—		(17)	
<b>Net cash flows from investing activities</b>		<b>153</b>		<b>167</b>	
<b>Cash flows from financing activities</b>					
Net amounts received on issue of units		—		—	
Net amounts paid on cancellation of units		(120)		(108)	
Dilution levy		—		2	
<b>Net cash flows from financing activities</b>		<b>—</b>		<b>(106)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>14</b>		<b>33</b>	
<b>Cash and cash equivalents at the beginning of the period</b>		<b>58</b>		<b>12</b>	
<b>Cash and cash equivalents at the end of the period</b>		<b>72</b>		<b>45</b>	

The accompanying notes are an integral part of these financial statements.





## Notes to the Financial Statements

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of accounting

These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, as modified in accordance with the Statement of Recommended Practice “Financial Statements of the Authorised Funds” (the “IA SORP”), issued by the Investment Association in May 2014.

These financial statements have been prepared on the basis of the accounting policies set out in the 28 February 2018 audited financial statements.

These financial statements have been prepared on a cessation basis as described in Note 1.2.

#### 1.2 Non-Going concern

The Manager is of the opinion that it is not appropriate to continue to adopt a going concern basis in the preparation of these financial statements given that the PAIF Master Fund and the Trust winding-up was completed on 22 October 2018.

All wind-up costs have been accrued in these financial statements.

### 2. RECONCILIATION OF NET REVENUE AFTER TAXATION TO DISTRIBUTIONS

	Feeder Trust 01.03.18 to 31.08.18 £'000	Feeder Trust 02.09.16 to 01.03.17 £'000
Net revenue after taxation	2	71
Capital expenses	(2)	43
<b>Distributions</b>	<u>—</u>	<u>114</u>

### 3. RECONCILIATION OF NET OPERATING INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Feeder Trust 01.03.18 to 31.08.18 £'000	Feeder Trust 02.09.16 to 01.03.17 £'000
Net operating income	1	(7)
Net loss on investments	1	78
Income received via accumulation investment	—	(123)
Corporation tax paid	—	25
Increase in trade and other payables	(21)	(1)
<b>Net cash flow from operating activities</b>	<u>(19)</u>	<u>(28)</u>





## Notes to the Financial Statements continued

### 4. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period (2017: same).

### 5. POST BALANCE SHEET EVENTS

The final distribution was paid to the Feeder Trust's unitholders on 22 October 2018. The payment of the final distribution on 22 October 2018 marked the completion of the Trust's winding-up process.





## Trust Information

### TRUST AND HEAD OFFICE

Host Capital UK Student Accommodation  
Umbrella Feeder Trust  
73 New Bond Street  
London W1S 1RS

### MANAGER (AND INVESTMENT MANAGER)

Host Capital Limited  
73 New Bond Street  
London W1S 1RS

### DIRECTORS OF THE MANAGER

CT Finch (Chief Executive)  
GL Brooks  
B Primrose  
S Anderson  
S Chaudhri

### TRUSTEE

NatWest Trustee and Depositary Services Limited  
Registered Office:  
250 Bishopsgate  
London EC2M 4AA

Principal Place of Business:  
2 South Drummond House  
1 Redheughs Avenue  
Edinburgh EH12 9RH

### CUSTODIAN

Citibank N.A  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

### ADMINISTRATOR

JTC Fund Solutions (Guernsey) Limited  
Ground Floor  
Dorey Court  
Admiral Park  
St Peter Port  
Guernsey GY1 2HT

### LEGAL ADVISERS TO THE TRUST

Eversheds Sutherland (International) LLP  
One Wood Street  
London EC2V 7WS

### REGISTRAR

JTC Fund Solutions (Guernsey) Limited  
Ground Floor  
Dorey Court  
Admiral Park  
St Peter Port  
Guernsey GY1 2HT

### AUDITORS

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2A 1AG

