

Press Release

Thursday 15th September 2011

Mayfair Capital Relaunches Property Growth Fund No. 2

Property fund manager Mayfair Capital Investment Management is relaunching and changing the name of its MC Special Opportunities Fund to the MC Property Growth Fund No. 2.

James Thornton, Fund Manager, said: "Given market conditions it feels right to change the name of the Fund as part of its relaunch. The window for picking up distressed opportunities has closed and the Fund is oriented towards seeking capital growth. It has a flexible mandate so can exploit the full range of Mayfair Capital's expertise and access to off market buying opportunities. The investment objective of returning 10% per annum capital growth (with minimal income distributions) over a three to five year period remains unchanged and is consistent with the return objective of our original MC Property Growth Fund."

Mayfair Capital's first Growth Fund was launched in 2003. Mayfair Capital decided to wind up this Fund at the top of the market in 2007, returning a net IRR of 16.95% per annum to investors over the Fund's four year life.

The MC Property Growth Fund No. 2 has wider investment powers than its forerunner and is able to invest in quoted securities, indirect vehicles such as unit trusts as well as joint ventures. The Fund has invested in three residential development projects in London through taking preferred equity positions with profit participation. These opportunities arose as a result of the lack of funding available to developers from banks against the background of a buoyant residential market, characterised by a lack of new development supply and strong demand from overseas buyers. The Fund's first project, an investment into a development at 2 Hyde Park Square, W2, has just matured generating a return of over 25% in 12 months.

Fund Director James Thornton continued: "Institutional investors are using this Fund as a complement to their core portfolios and a means of gaining exposure to investment propositions higher up the risk curve. Individual qualifying investors in the Fund, gaining access directly and through their pension funds or offshore bonds, have been attracted by the capital growth orientated return, which is taxed as capital gains."

Notes to Editors

Mayfair Capital Investment Management

www.mayfaircapital.co.uk

Mayfair Capital was formed in June 2002 as an independent property fund management business designed to serve charities, private investors and pension funds. Founders Guy Brogden and James Thornton each have 30 years of experience.

They are joined by a talented team including Chairman Stephen Musgrave, who was previously Managing Director of Hines UK, and prior to that Grosvenor UK.

Director Robert Palmer joined last year to manage the £100 million Mayfair Capital Property Unit Trust. He previously managed the Hanover Property Unit Trust at Rockspring.

Mayfair Capital currently manages more than £350 million in pooled funds and advisory mandates. Its flagship fund is the £125 million Property Income Trust for Charities, which was the best performing pooled balanced fund in the AREF All Balanced Property Fund Index for 2009 and in the top five for 2010.

MC Property Growth Fund No. 2

www.mcpropertygrowthfund.co.uk

The MC Property Growth Fund No. 2 is structured as a Guernsey-domiciled Open Ended Investment Company (OEIC). The Fund is open ended with quarterly dealing points and, as with the original MC Property Growth Fund, the management team at Mayfair Capital have co-invested in order to align their interests with underlying investors. No borrowings are employed at present but the Fund has the power to borrow up to 75% of gross asset value.

In order to gain more critical mass and increased diversification, the immediate aim is to grow the Fund to £50 million from its current £12 million NAV.

In terms of transaction history, the Fund has successfully bought and sold shares in two quoted investment trusts. It also acquired a vacant retail unit in Cheltenham, refurbished it, let it out and then sold the property on to a private investor, returning 13% to the Fund in nine months.

From its inception in February 2008 to June 2011, the MC Property Growth Fund No. 2 has returned 6.4%, compared with -2.9% for the IPD Monthly Index, in total return terms.

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