



Seven Dials European Property Fund

Q2 2011 Update

1. NAV* Movements in the three months to June 2011

*Please note that the NAVs reported below are indicative only. The Fund has suspended dealing and the official calculation and publication of net asset values.

We report small falls in the Fund NAVs in the quarter to 30th June 2011.

Fund NAVs as at 30th June

Share Class	Bid NAV	Mar 11 NAV
A	5.81	5.87
B	5.90	5.97
C	5.94	6.00
R	5.64	5.70
P	5.72	5.78

2. Performance Analysis

There has been only minor movement in the NAVs of the Seven Dials European Property Fund. The Nordic Aktiv portfolio has been re-valued at the half year. The German Aktiv portfolio will next be re-valued in December.

Nordic Aktiv

The underlying property portfolio was re-valued at the half year, showing an overall increase of 0.6% net of currency fluctuations. There were minor differences between the value movements in the different countries, with Norway again showing the largest increase at 2.4%. Over the first half of the year the assets in Finland performed the worst, recording a fall of 0.5%.

Over the quarter, the NAV of the Nordic Aktiv fund fell marginally; the positive asset value movement was offset by a fall in swap values and currency movements.



German Aktiv

The German Aktiv portfolio was not re-valued this quarter; consequently the NAV of the German Aktiv fund is unchanged over the quarter. The Manager of German Aktiv recommended that the valuation be waived as the capital markets had not changed materially over the first half of the year. The portfolio will next be re-valued in December.

3. Outlook

Investor interest in property investment remains narrowly focused on prime and near prime assets. Consequently, market performance is being driven by prime assets and prices of more secondary assets remain stable at best. Investor interest is spreading to riskier assets but only slowly and the problems faced by the Eurozone are likely to undermine confidence to some extent and reinforce the low-risk strategy adopted by many institutional investors. Longer term, more secondary assets will attract greater investor interest as stock becomes increasingly hard to secure at reasonable prices.

The Seven Dials European Property Fund is well placed in terms of its country exposure as Germany and Scandinavia are two of the better performing economic areas. However, the investments of the Fund are in more secondary assets and so the short term outlook is for limited change in the value of the underlying investments.

Contact

Brett Robinson
brett.robinson@7dials.com

Tel: 020 7240 8008
Seven Dials Financial
19 Short's Gardens
London WC2H 9AW