

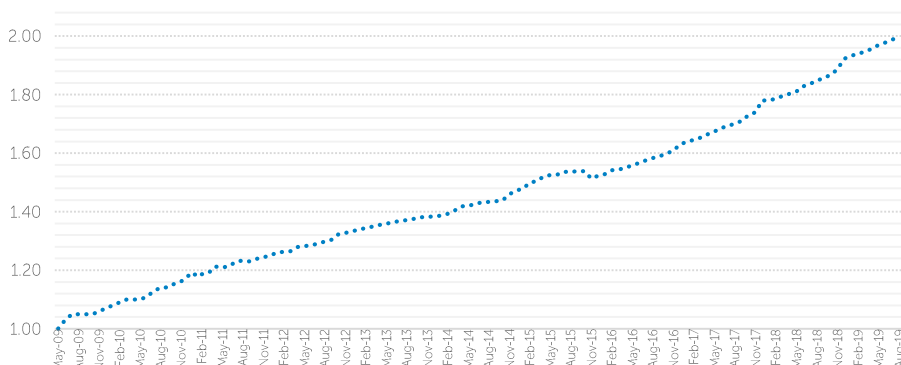
GSA CORAL STUDENT PORTFOLIO

SEPTEMBER 2019 MONTHLY PERFORMANCE UPDATE – CLASS C



GSA Coral Student Portfolio delivers targeted returns with an emphasis on risk and liquidity management. GSA Coral presents a broad range of underlying funds and investment strategies otherwise only available institutionally. The GSA Coral Student Portfolio is an EU-Regulated AIFMD approved monthly traded fund domiciled in Luxembourg.

FUND PERFORMANCE



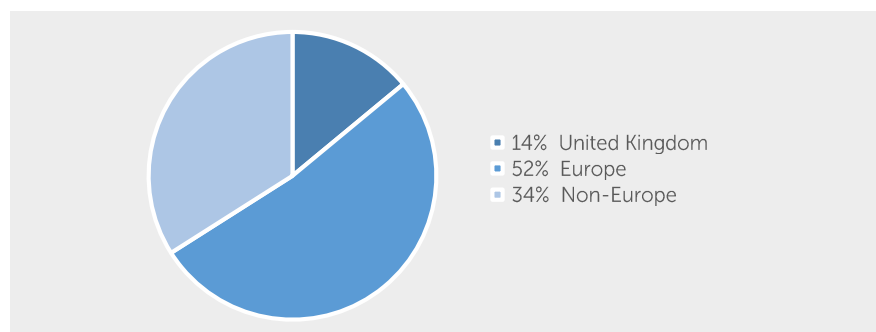
SHARE PRICE AS AT
31 August 2019

USD 1.9963

USD Class C launched 1st June 2009

Last 12 months	8.05%
2019 YTD	3.84%
2019 YTD Annualised	5.81%
Since Inception: Annualised Return (10Y 3M) Total Yield	6.98% 99.63%

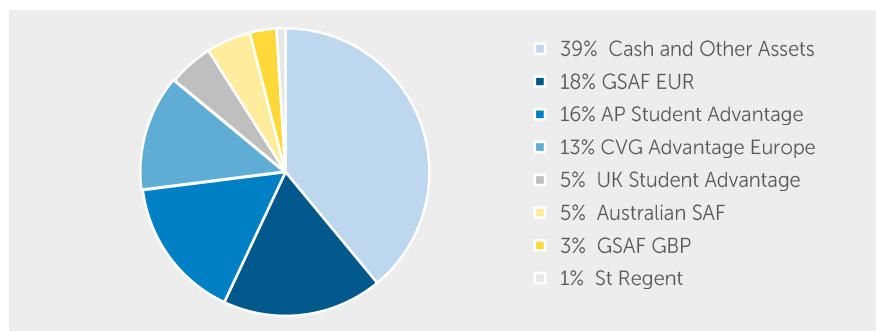
GEOGRAPHIC DISTRIBUTION OF INVESTED ASSETS



SUMMARY OF CHARGES

Bid Offer Spread	Nil
Initial Allocation	100%
Annual Management Charge	1.5%p.a.

PORTFOLIO MIX AS AT DATE OF LATEST NAV



REDEMPTION PENALTY

Year 1	5%
Year 2	4%
Year 3	3%
Year 4	2%
Year 5	1%

Charges are fully detailed in the Private Placement Memorandum, a copy of which can be obtained upon request from www.gsa-coral.com

FUND FACTS

NAV as at 31 August 2019	£343 million
Exposure to Beds	20,935
Exposure to Properties	58
Exposure to underlying Investments	8

SEDOL	B3KTXX1
ISIN	LU0407011849

MANAGER'S REPORT – A FOCUS ON BREXIT AND STUDENT HOUSING

Key Highlights:

- **Uncertainty surrounds Brexit**
- **UK demand for education remains very strong**
- **The low GBP creates opportunities for students coming from outside of Europe to the UK.**
- **International student numbers studying in the UK, continue to reach record numbers.**
- **Only 2% of UK student housing market at risk from Brexit.**

The only certain aspect of Brexit is for uncertainty to continue for a period. Following Boris Johnson's (UK Prime Minister) drive to seek a 'hard Brexit', the GSA Coral team have undertaken research to analyse the potential impact of a hard Brexit on the UK student housing sector and GSA Coral's portfolio.

Despite the uncertainty surrounding Brexit and the possibility of a hard exit, demand remains very strong for UK education institutions. Prospective students from around the world, including the millions derived from a growing middle class in China, continue to desire education from highly reputable institutions with first-rate quality standards, in the UK. Analysis compiled from GSA Research with data from the UK Higher Education Statistics Agency (HESA) and University and College Admissions Service (UCAS), has shown that the worst-case scenario of a hard Brexit might see EU student demand covering 2% of the UK student housing market declining. However, it is expected that a hard Brexit will continue to devalue the GBP, making UK education cheaper resulting in increased demand from students from outside the EU, which would make up any reduction in EU demand.

The outlook for student accommodation in the UK

Higher education in the UK plays an important role in the overall national economy. The Higher Education Policy Institute (HEPI) and Kaplan International Pathways (Kaplan) published research in March 2019 on the financial contributions of international students who graduate from higher education and stay in the UK to work. The UK's tax revenue from international students' post-graduation, shows the tax and National Insurance payments of just one cohort of



Dominic Place, Block 1, Dublin

international students who stay in the UK to work post studies amount to £3.2 billion alone. This is split by EU students providing £1.2 billion and other international students providing £2 billion. Furthermore, the analysis showed international graduates who find employment in the UK typically do so in sectors that suffer from acute skills shortages. Rather than displacing domestic graduates, international graduates are plugging skills shortages.

There is growing demand for UK higher education. HESA statistics from the recently released 2017/18 academic year show record full-time enrolment numbers coming into the UK from the EU and other international students have never been as strong. Total UK fulltime enrolments reached 1.844 million, equating to growth of 2.6% since the Brexit referendum.

Despite possible negative sentiment from the EU toward the UK since the Brexit referendum, EU enrolments studying inside the UK have reached over 125,000, equating to growth of 4.1%. Non-EU international enrolments have also experienced high growth of 4.6%, likely benefiting from the fall in the value of the GBP. Total international enrolments from outside of the EU studying within the UK have reached 300,000.

Future Demand for UK education appears to remain strong. UCAS has recently disclosed a total of 561,420 potential students have applied to start a course in 2019, which is the first increase in three years. The increase in the application rate comes alongside a 1.8% demographic fall in the total number of 18-year olds in England, demonstrating growing demand for higher education generally.

The number of applicants from the EU has increased by 1%, to 43,890. Additionally, there are a record number of applicants from outside the EU with 63,690 having applied to study in the UK, showing an increase of 9%.

MANAGER'S REPORT - CONTINUED

Looking ahead, this trend of strengthening demand is anticipated to continue after the UK Government released the International Education Strategy, which plans to increase international student numbers to 600,000 (up 30%). The strategy sets out five actions, developed through consultation with the education sector. There will be increased focus around enhancing the marketing of UK student environment to highlight UK's competitive offer for higher education, supported by government funding.

This action is a significant step forward in aligning the strategy for growth of UK's higher education sector to other competing global destinations.

The threat of Brexit

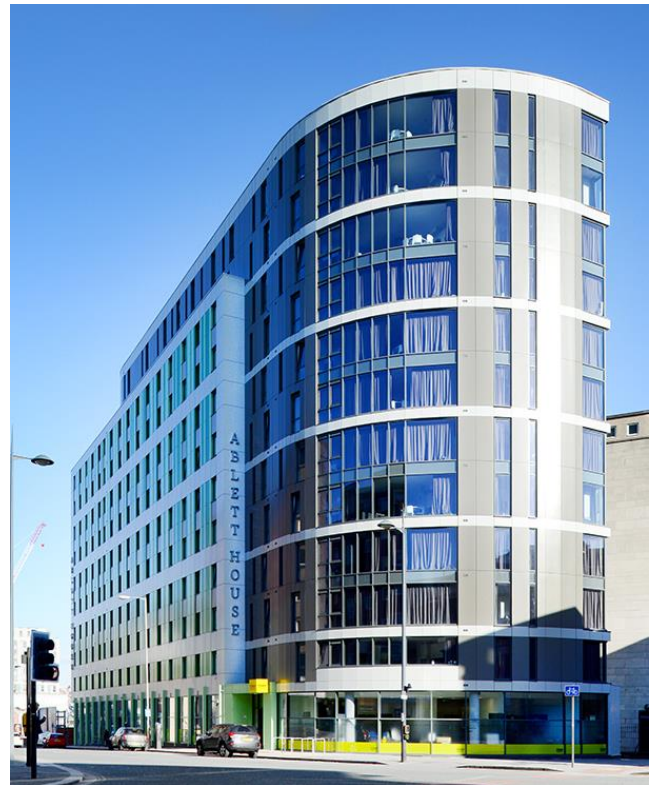
Brexit continues to be a risk to all markets, due to its uncertainty. GSA Research has analysed the proportion of the UK student housing market that may be at risk of a hard Brexit and therefore any likely impact on the GSA Coral portfolio.

The UK government has stated higher education institutional funding, student visas and tuition costs will remain steady for the 2019/20 academic year. GSA Research believes the immediate impact of a hard Brexit would be a fall in the number of EU students studying in the UK. However, HESA data from the 2017/18 academic year shows us the following:

- EU enrolments only make up 6.7% of total HE enrolments in the UK.
- Just under 12,000 full-time EU students resided in privately operated student housing during the 2016/17 academic year, amounting to 2% of the market.

In the worst-case scenario of a hard Brexit, the British think tank HEPI projected that EU student numbers will drop by more than half (57%). Proportionally, this would equate to a loss in demand of 6,700 students across the UK student housing sector, which as a sector is just over 600,000 beds from both private and public operators.

GSA believes this void will be filled with the increasing number of international students from outside the EU. This viewpoint is supported by the recently released International Education Strategy, which plans to increase international student numbers to 600,000 (up 30%).



Ablett House, Liverpool

With operational student residences in Ireland, Spain and Germany, GSA Coral stands to benefit from the redirection of EU students away from the UK toward other major study destinations in Europe, whilst also seeing benefit from the increased non EU students in the UK. Overall, GSA Coral remains the most diversified student housing portfolio across the globe, in an asset class which has historically be proven to be defensive in periods of economic turbulence. The insulation that this gives investors from individual country risk factors, such as Brexit, exemplifies the value of global diversification.



Main foyer at Garbi, Barcelona



Studio apartment at Clifford House, Exeter



Studio apartment at Aleu, Barcelona

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