

## THE LUCENT STRATEGIC LAND FUND

### A Dedicated Fund of the KMG SICAV-SIF

The out-performance of the Lucent Strategic Land Fund compared to the equity markets during 2011 is significant and obvious. The important question, however, is with regards to the expectation of performance in 2012.

The outlook for equity markets is at best uncertain. By contrast the outlook for UK strategic land with planning consent is very positive:

- There is cross party political acknowledgement of a chronic housing shortage in the UK. At the current rate of build new housing output is not even close to keeping pace with the number of new households being created each year.
- The Government's clearly stated objective of increasing UK housing stock can only be met if first the increasing demand for land with planning consent is met.
- The policy initiatives already introduced (such as the New Homes Bonus, the 95% Mortgage Indemnity Scheme for new home builds and the 'presumption in favour of sustainable development' in planning decisions) will begin to impact during 2012 increasing the demand, and thereby values, of land with planning consent.
- The Governments determination to use the housebuilding sector to drive domestic led economic growth in 2012 gives the above initiatives a greater level of political commitment than just achieving the social objective of increasing UK housing stock. They have a very real, and important, broader economic context.

The case for investment into UK strategic land is currently very compelling. Blackrock's Aldo Roldan recently commented "There's a lot of demand and supply is falling short. If I could buy land I would do so in substantial amounts".

**Which would you choose?**

#### NAV PERFORMANCE vs FTSE ALL SHARES IN 2011

