



**GSA<sup>1</sup>**  
**CORAL**

## GSA Coral Student Portfolio

May 2017

*For Well-Informed Investors Only*

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## Summary

- Huge demand for higher education globally, but student accommodation is structurally undersupplied.
- Over the past 26 years, the GSA management team has transformed student accommodation into an institutional-grade real estate asset class.
- GSA Coral Student Portfolio is a unique globally diversified student accommodation fund.
- 8-year track record of positive returns, targeting net annual return of 8-10%.
- 100% track record of providing investor liquidity since inception.
- The Fund is Luxembourg domiciled, fully regulated investment structure.

## The GSA Group

- » GSA is a **global leader** in purpose-built student accommodation (PBSA) investments.
- » We are the only company in the PBSA sector that offers a fully integrated structure of **Investment Management, Real Estate Development** and **Commercial Operations** on a global scale.
- » With offices across UK, Ireland, Germany, Dubai, Australia, Japan, China and Hong Kong.

GSA's management team leadership experience at a glance:

- **26 years** in the student accommodation business
- **70,000** student accommodation beds created in **over 44 cities across 8 countries;**
- **USD 8 billion** invested into student accommodation;
- **97% occupancy** across all of our student communities.



## GSA's recent institutional partners

- » **UK** – GIC Singaporean sovereign wealth fund £700m portfolio.
- » **UK** – Harrison Street Real Estate Capital £110m portfolio.
- » **Ireland** – Harrison Street Real Estate Capital €250m portfolio target.
- » **Germany** – GIC Singaporean sovereign wealth fund €100m portfolio.
- » **Japan** – Star Asia Capital Management initial portfolio investment of \$30m.



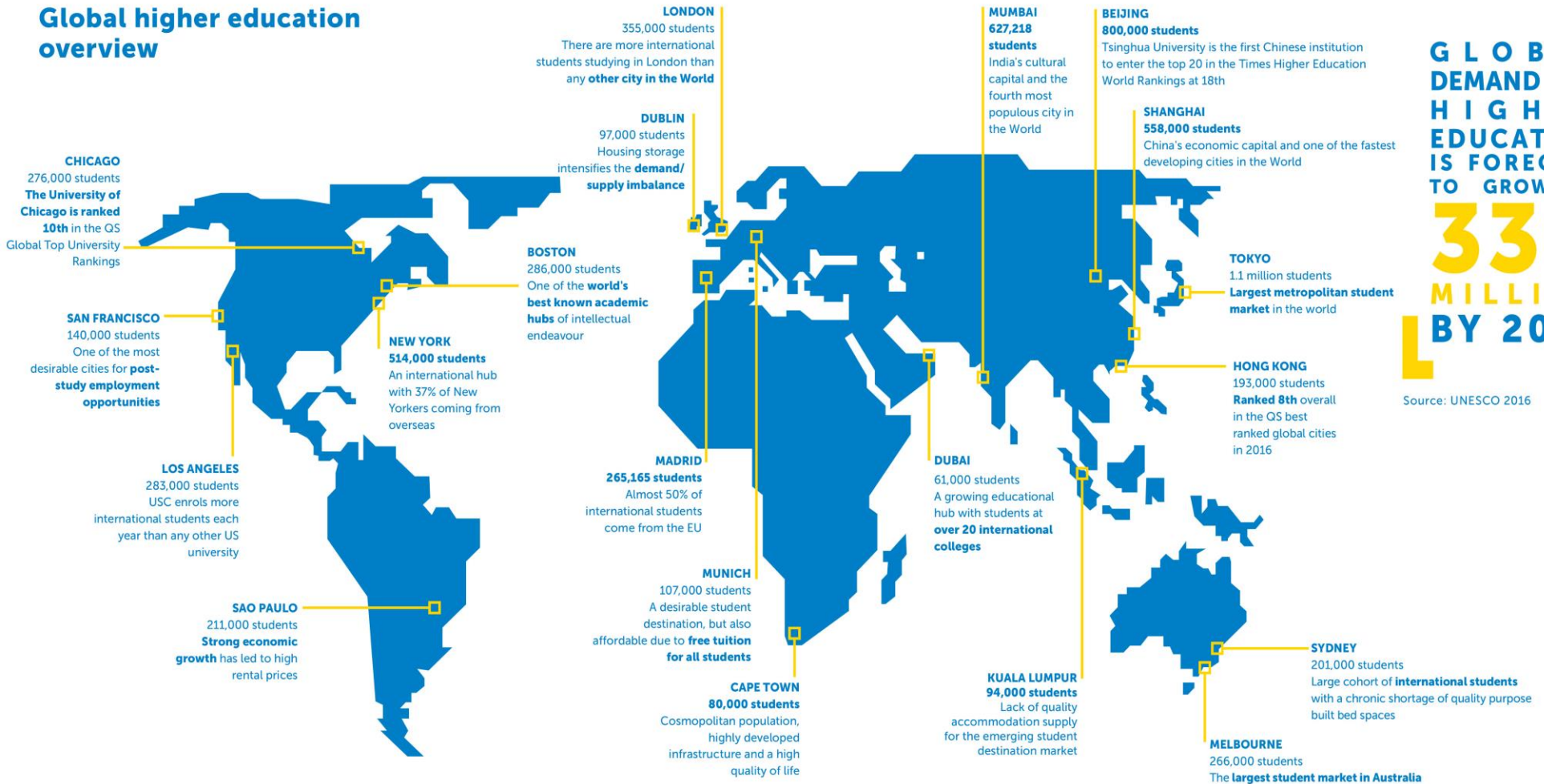
## Our Sector



**STUDENT  
ACCOMMODATION  
IS OUR BUSINESS**

# Global higher education overview

## Global higher education overview



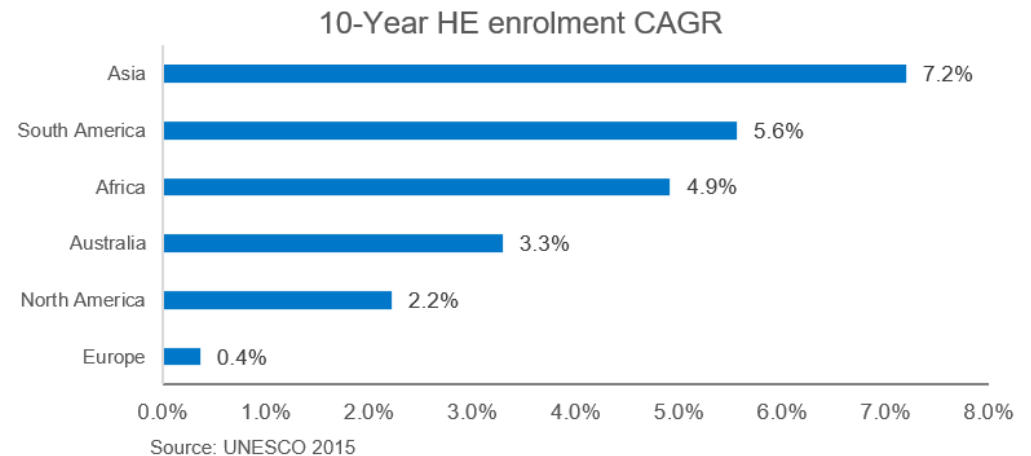
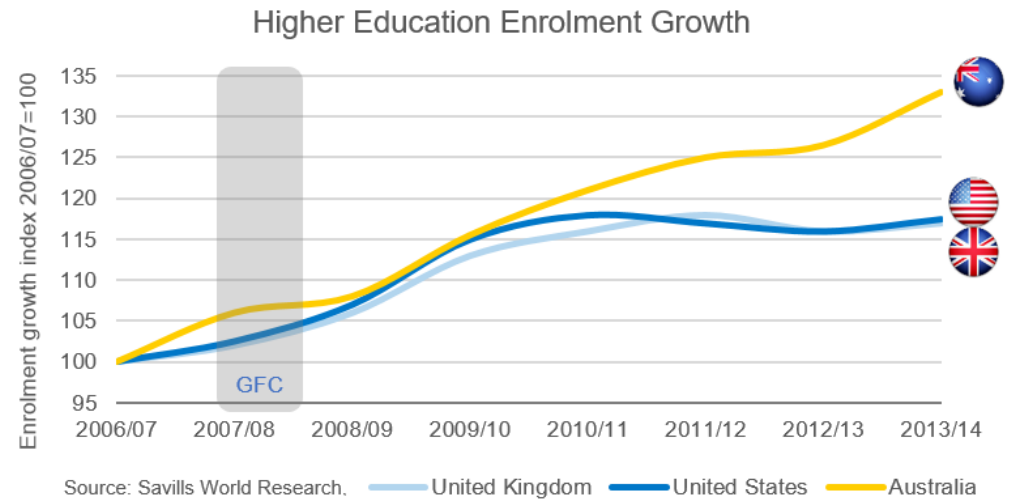
**GLOBAL DEMAND FOR HIGHER EDUCATION IS FORECAST TO GROW TO 330 MILLION BY 2025**

Source: UNESCO 2016

# Global higher education (HE) enrolment growth

## Global demand for HE continues to experience strong growth

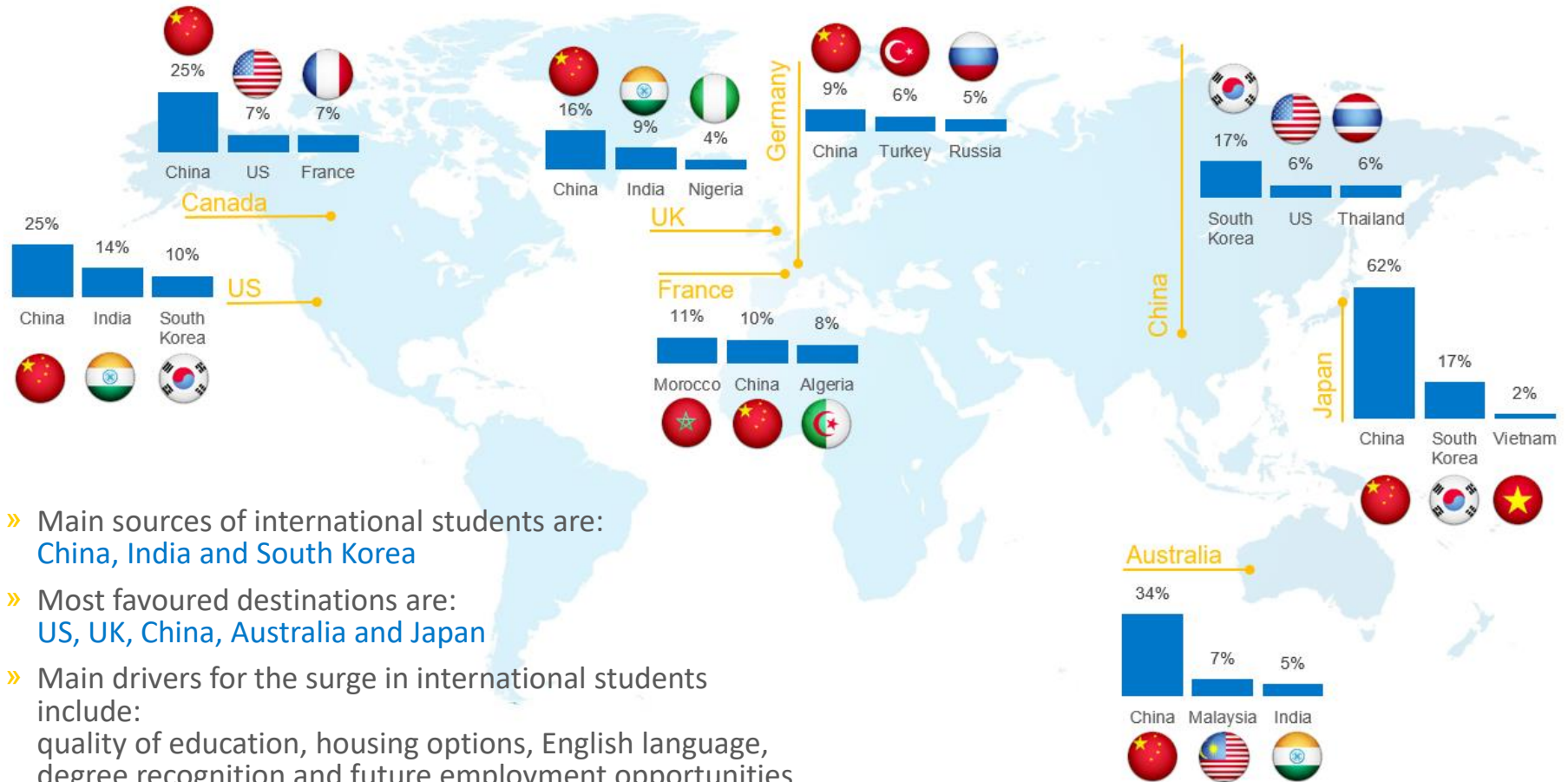
- » 15.1% increase in student enrolment across the top 7 higher education markets (US, UK, Australia, Germany, France, Spain & Netherlands) between 2007/08 and 2013/14
- » US and UK experienced a 7-year CAGR of 2.0%, while Australia experienced a 7-year CAGR of 3.6% since 2006
- » Major education markets experienced a sustained increase in enrolments during the global financial crisis (GFC)
- » Asia has the highest 10-year CAGR at 7.2% for HE enrolments, whilst Australia recorded a strong 3.3% CAGR between 2003 to 2013





# Global international student mobility

Global student flows are consistently increasing, with the most populous nations of China and India contributing the greatest international enrolment growth



- » Main sources of international students are: **China, India and South Korea**
- » Most favoured destinations are: **US, UK, China, Australia and Japan**
- » Main drivers for the surge in international students include: quality of education, housing options, English language, degree recognition and future employment opportunities

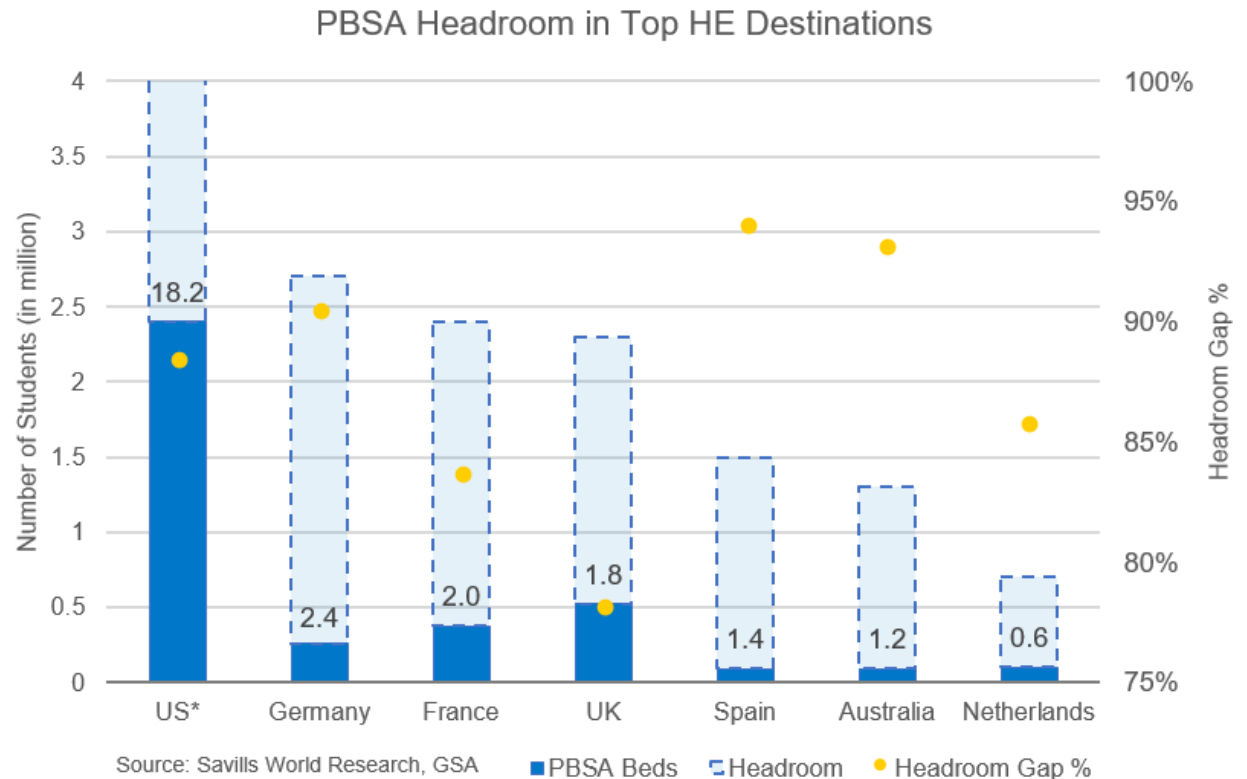
Source: OECD 2015

# Headroom gap in top higher education destinations

Top Higher Education (HE) destinations are significantly under-supplied in Purpose-Built Student Accommodation

Purpose Built Student Accommodation (PBSA) is **significantly under-supplied**:

- » US: Among 20.6m total enrolled HE students, only 12% live in PBSA beds
- » Similar situations can be found for all major HE destinations such as UK, Germany, France, Spain and Australia
- » Australia's potential headroom capacity is at 93% (assuming all students are housed in PBSA)



US\*: Has a total of 20.6m students enrolled in HE, where 2.4m PBSA beds are provided to these students



# GSA<sup>1</sup> CORAL

A unique globally diversified student accommodation fund

# GSA<sup>1</sup> CORAL

Our flagship fund – GSA Coral Student Portfolio is a unique and the most globally diversified student accommodation portfolio in the market.

- » **Our philosophy** – To generate diversified sources of total return to investors by **blending investments across core PBSA markets and new PBSA markets** where a mature real estate sector already exists.
- » **Investment Strategy** – Investing in a balanced mix of:
  - **completed and operating assets** producing stable lease income returns to underpin portfolio performance; and
  - **development or forward funding opportunities** providing capital growth to enhance portfolio performance.

GSA Coral provides investors with access to **all of GSA's institutional-grade student accommodation investments globally**, as well as the flexibility to access external managers in the PBSA space.

- » **Track record** – **8 years** of performance history in delivering **sustainable returns and low volatility**, with a **100% track record of positive annual returns** since launch in 2009.
- » **Unique feature** – GSA Coral investors benefit from the **private equity-type allocation** to real estate investments combining with a **monthly liquidity** component.



## Key Features

<b>Sector</b>		Purpose-Built Student Accommodation (PBSA)
<b>Geography</b>		Global cities with structural undersupply of student housing and strong higher educational demand
<b>Target Return</b>		8-10% per annum
<b>Regulator</b>		Regulated and supervised in Luxembourg by the CSSF, approved under rigorous AIFMD structure
<b>Liquidity</b>		Monthly traded; Open-ended
<b>Fund Size</b>		GBP 143 million (as at 31 March 2017)
<b>Share Classes</b>		GBP, USD (hedged), Euro (hedged), SGD (hedged)
<b>Management Fee</b>		1.5% per annum
<b>Performance Fee</b>		None
<b>Custodian</b>		RBS Global Banking Luxembourg S.A.
<b>Administrator</b>		Apex Fund Services Ltd, supervised by the CSSF
<b>Auditor</b>		Ernst & Young
<b>Legal Advisors</b>		Loyens & Loeff

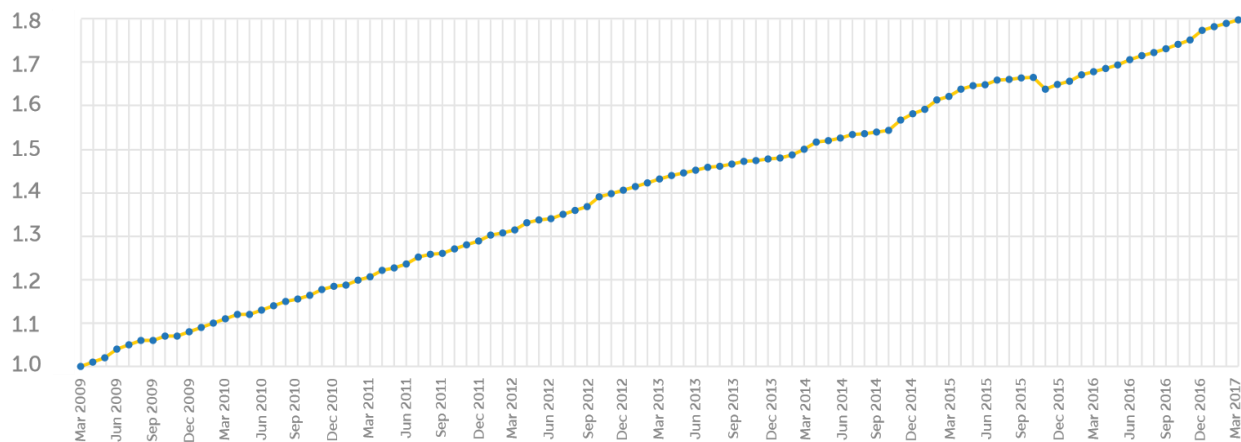
# GSA<sup>1</sup> CORAL

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GSA Coral Student Portfolio has a very strong track record of providing consistently positive returns since launch in March 2009 (Class A GBP).

## Fund Performance Net of Fees Share Price Growth – Class A GBP (as at 31 March 2017)



## Performance Summary Net of Fees Class A GBP (as at 31 March 2017)

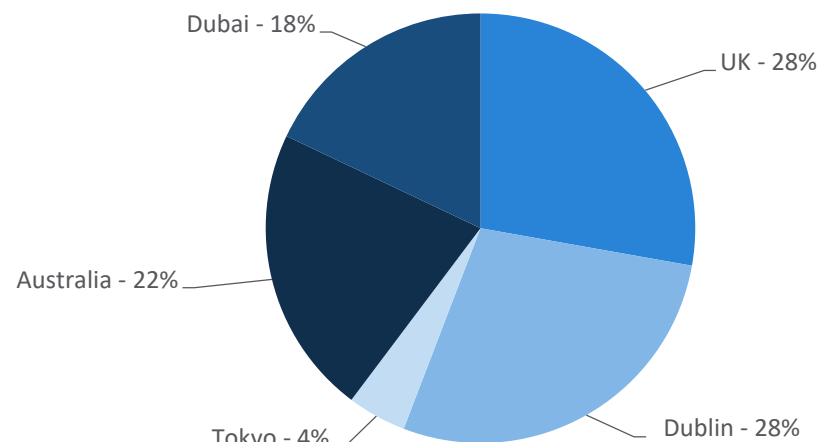
Net return since launch	79.96%
Last 12-month return	7.11%
2017 YTD return	1.36%
Annualised return since launch	7.54% p.a.
Annualised volatility since launch	1.55%

Past performance is not a guide to future returns and no responsibility is accepted for any errors or omissions. All performance figures are calculated after deducting the fees, in GBP term. GSA Coral Student Portfolio is a compartment of GSA Coral Portfolio S.C.A. SICAV-SIF which is incorporated under the laws of Luxembourg and regulated by Luxembourg authorities, Commission de Surveillance du Secteur Financier (CSSF) as a multi-compartment Specialist Investor Fund and is approved under AIFMD.

## GSA Coral Investment Portfolio

Country	Number of Assets	No of Beds in Portfolio	Investors in Portfolio
UK	14 (9 operational, 5 development)	7,150	GIC GSA Group GSA Coral
UK	5 (Operational, 50% weighting to London)	1,460	Harrison Street GSA Coral
Dublin	5 (3 operational from Sept 2017, 2 development)	1,813	Harrison Street GSA Coral
Dubai	1 (Operational)	424	GSA Group GSA Coral
Tokyo	1 (In development, forecast completion early 2018)	364	Star Asia Aviva Investors GSA Group GSA Coral
Australia	4 (In development, forecast completion 2018 / 2019)	1,922	GSA Group GSA Coral
Other – UK assets not managed by GSA	3 (all currently being sold)	385	GSA Coral

## Investment Allocation (% of Invested Assets)



Investments shown as a % of portfolio excluding cash holdings, as at 28 February 2017.

### 2017 Strategic Portfolio Objectives:

1. Recapitalise Dubai investment with a new partner (following successful development period).
2. Introduce a partner to current Australian portfolio and further diversify into further Australian assets across target markets.
3. Introduce a new partner to Dublin portfolio and re-deploy capital into new European markets.
4. Target further deployment of capital in continental Europe, including Germany and Spain.
5. Deploy further capital into new Tokyo acquisitions.

The background of the slide features a scenic view of a city skyline across a body of water. A large, steel truss bridge, likely the Sydney Harbour Bridge, dominates the right side of the frame, arching over the water. The sky is a mix of blue and light orange, suggesting a sunset or sunrise. In the foreground, the water is dark blue with some whitecaps. A yellow-bordered box is overlaid on the left side of the image, containing text.

## Recent investments & pipeline

- » UK portfolio
- » Dublin portfolio
- » Australia portfolio
- » Tokyo portfolio



# UK portfolio – new additions

- » UK has a longstanding reputation for providing high quality of education.
- » In September 2016 GSA and GIC, Singapore's sovereign wealth fund, acquired a 7,150-bed UK student accommodation portfolio.
- » £700m portfolio – UK's largest student accommodation deal in 2016 .
- » Including 3,634 operating beds across 9 new properties, built within last three years, in prime locations with 98% occupancy rate.
- » A pipeline of 3,516 beds in 5 other cities, which will be brought on stream over the next 30 months.



## Dublin portfolio

- » Significant undersupply of general housing in Dublin, pricing students out of the market underpinning demand.
- » In December 2015, GSA and Harrison Street Real Estate formed a joint venture to invest €250m in Dublin over the next 5 years.
- » Current portfolio of 1,813 beds across 5 projects – 3 properties will be operational by September 2017, 2 remaining developments will come on stream in 2018.



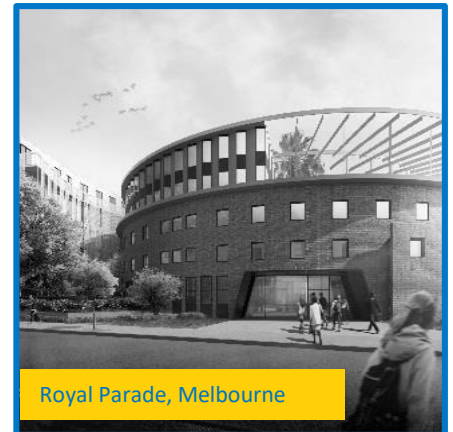
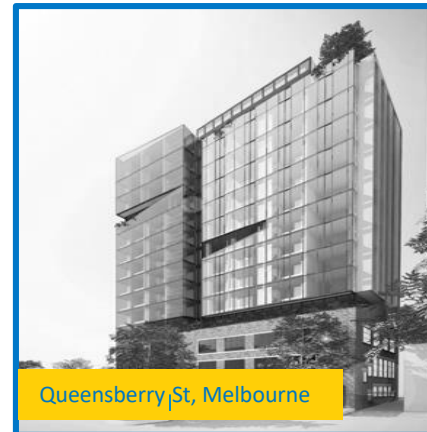
# Australia portfolio

- » Australia is the 5<sup>th</sup> largest international destination for foreign students, with Melbourne being the 5<sup>th</sup> most popular city in the world for students. (source: QS 2017)
- » Extremely strong investment market due to significant undersupply of PBSA with circa 10 students to each available bed space.
- » 4 development projects currently with the portfolio. Further development pipeline secured for 2017.
- » GSA management team has 8 years of experience in the Australia market from ground-up development to operation.

## Current Development Projects



## Secured Pipeline Opportunities



## Tokyo portfolio

- » Japan is one of the largest higher education-related markets in the world, with 2.8 million university students, 1.1 million of whom are in Tokyo and the surrounding area.
- » In January 2017, GSA concluded a new Joint Venture Partnership with Star Asia Group.
- » The new joint venture has acquired its first development of 374 student beds in Hakusan ward, Tokyo.
- » Star Asia Group is a privately owned, independent investment management group with over JPY370 billion invested in real estate related opportunities.

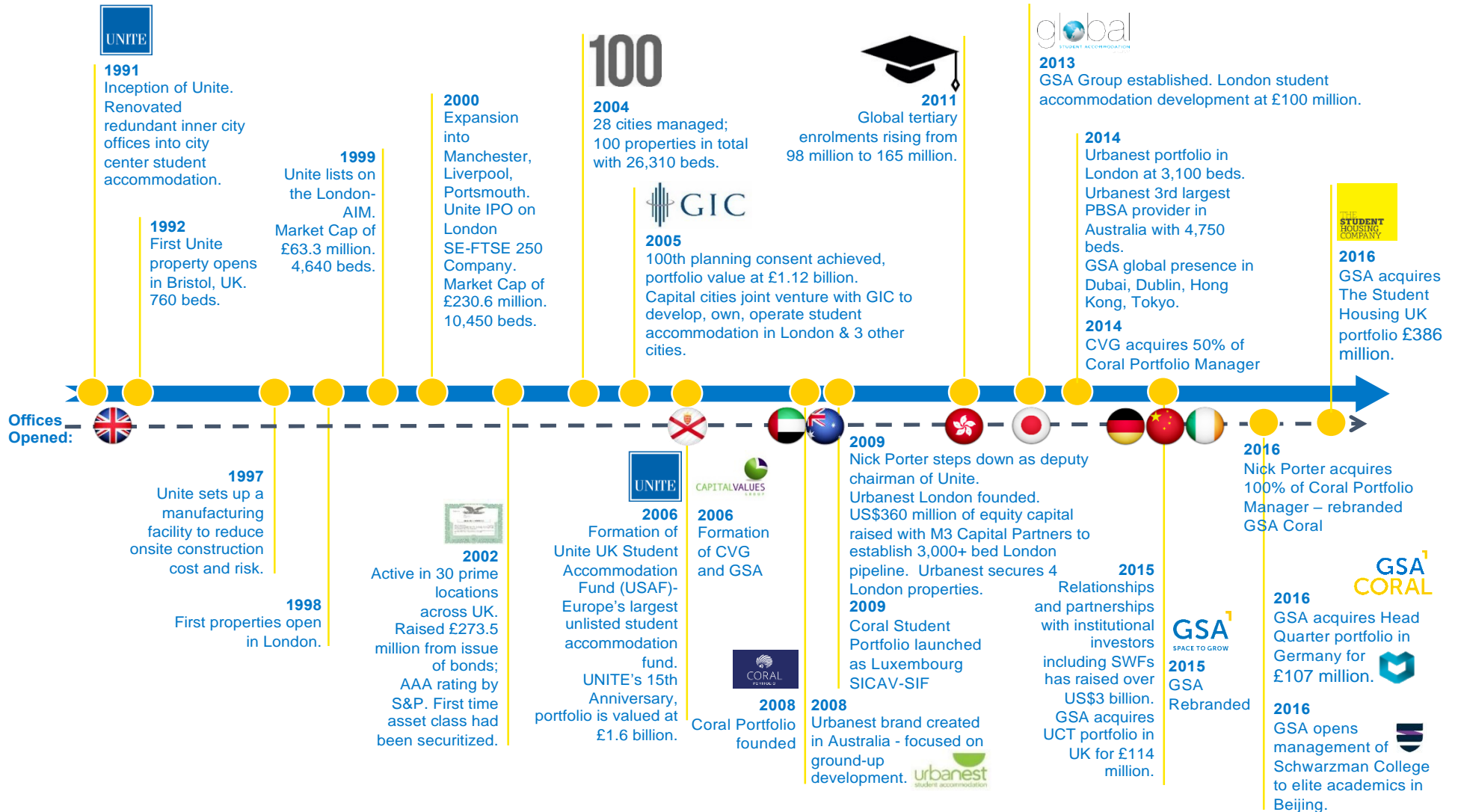


New Hakusan development,  
Tokyo

## The value of investing with GSA

- » Access to an **institutional-grade real estate asset class** underpinned by a **fundamental supply / demand imbalance** across the student accommodation sector globally;
- » Gain exposure to an **uncorrelated** asset class with **low volatility** since the demand for higher education tends to be **counter-cyclical**;
- » GSA has a **long track record of positive investor returns**;
- » **Invest alongside some of the world's leading institutional investors.**

# Appendix – GSA's first 25 years



## Appendix – GSA & Schwarzman Scholars

- In late 2016 GSA proudly announced its first property under management in China, the Schwarzman College at Tsinghua University, Beijing.
- GSA was specially selected by the Stephen A Schwarzman Education Foundation to deliver a world class cohesive living and learning environment for students.
- Schwarzman Scholars can now welcome its first cohort of scholars to the newly built state-of-the-art Schwarzman College - an academic and residential facility which features 200 student beds, contemporary teaching facilities including classrooms, auditorium, international conference centre, library, canteen, and on-site gym.
- Inspired by the Rhodes scholarship, the Schwarzman Scholars College will welcome some of the world's best and brightest students to develop their leadership skills and professional networks through a one-year Master's Degree at Tsinghua University in Beijing – one of China's most prestigious universities.
- GSA's partnership with the prestigious Schwarzman Scholars forms part of building a presence in the rapidly growing China Higher Education Sector. As the third largest destination for international students worldwide, China has become a powerful force in the higher education landscape.
- GSA oversaw the development management of the project and will manage the student accommodation and academic facilities of the new college.
- An overview of the Scholarship Program, including the opening ceremony, can be found at <http://schwarzmanscholars.org/>.



Schwarzman Scholars College in China

# THANK YOU



## CONTACT AND ENQUIRIES

Jack Yung  
Business Development Director, Asia Pacific  
[jack.yung@gsa-im.com](mailto:jack.yung@gsa-im.com)  
[www.gsa-coral.com](http://www.gsa-coral.com)