



Romania Geared Growth Cell

City Life PCC Limited

Investor Report – Qtr 4 2010

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Summary

- Share price down 11.7% for the quarter to 31st December 2010 (5.2% for the quarter to 30 September 2010);
- Value of property: Portfolio down some 7.3% for the quarter (8.1% in the previous quarter) in Euro terms and accentuated by a weakening of the Euro against Sterling to 1.1664 from 1.1547 over the quarter;
- Romanian residential market remains very difficult with little transactional activity;
- The Directors continue to make progress on restructuring the Fund and as advised previously it is the intention that Shareholders will be notified of proposals via an EGM notice in the near future;
- Certain units are to be sold in order to provide liquidity for operations and for the restructuring which is currently under negotiation;
- No redemption payments have been possible due to insufficient liquidity and the ongoing restructuring negotiations.

Performance Review

The independent valuation of the Portfolio resulted in a mark down of 7.3% in Euro terms for the quarter. This was spread across all three developments (Sunny Side is currently carried at Nil valuation) and is reflective of the continuing subdued demand across the residential market in Bucharest. In respect of the Perla apartments, the valuation was further negatively impacted by ongoing heavy selling of other Perla apartments by another fund.

Despite this, prospective buyers have been identified for a number of the properties in the portfolio and it is the intention of the Fund to realise at least one of these sales in order to assist in completing the restructuring currently under negotiation and referred to below.

Current Portfolio

Name	City	Purchase Date	Purchase Cost (€)	Valuation (€)
Greenfield Residence	Bucharest	8 October 2008	465,583	332,000
Perla Residence	Bucharest	23 October 2008	852,116	602,000
Sunny Side	Bucharest	31 October 2008	640,000	Nil*
Green Vista	Bucharest	28 October 2008	1,677,495	997,,000
Total			3,635,194	1,931,000

*Developer unable to complete the build so valuation written down to zero pending clarification of this situation.

Exchange rate: € 1.16 = £1 (€1.15= £1 at 30/09/2010)

Restructuring of the Fund

Following the Channel Island Stock Exchange notification of the termination of the current Investment Manager, as referred to in our last report, the Directors have continued to work on a restructuring proposal for the Fund and negotiations have reached an advanced stage with the proposed new Investment Manager. It is currently anticipated that notice of this proposal and new Investment Manager will be communicated to shareholders via an EGM notice in the very near future.

Key Fund Facts

NAV 30 December 2010	39.25p
Fund size	£1,758,561
Launch date	15 th August 2008
Launch price	100.00p
Dealing Dates	Quarterly
Min. Subscription	£20,000
Loss since inception	60.75%
Listing	Channel Islands Stock Exchange ("CISX")
Price published	Financial Times & Reuters
SEDOL	B39J0M0
ISIN	GG00B39J0M01
Bloomberg Ticker	CCRGGR
Custodian	BNP Paribas Trust Company (Guernsey) Limited
Administrator	Ardel Fund Services Limited
Principal Manager	Stratton Street Capital (CI) Limited

Contact Detail

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Important Notice

This Investor Report should be read in conjunction with, and in the context of, the Information Memorandum of the Curzon Capital PCC Limited Romania Geared Growth cell (the "Scheme") which has been prepared to comply with the terms of Rule 10.01 of The Collective Investment Schemes (Class B) Rules 1990 (the "Class B Rules") as issued by the Guernsey Financial Services Commission (the Commission") pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (the "Law"). Stratton Street Capital (CI) Limited does not guarantee the accuracy, adequacy or completeness of the information contained herein and is not responsible for any omissions or for the results obtained from such information. Expressions of opinion herein are subject to change without notice. These materials do not constitute an offer to sell or solicitation of an offer to buy shares in the Scheme. The Scheme referred to in this Investor Report constitutes an "unregulated collective investment scheme" for the purposes of the restriction on the promotion of unregulated schemes under section 238 of the UK FSMA and, accordingly, the Scheme cannot be marketed in the UK to the general public. Past performance is no guide to future performance and the value of the shares in the funds may go down as well as up.

Curzon Capital PCC Limited is an open-ended investment company incorporated in Guernsey with registration number 43271 on 13th June 2005. It is established as a protected cell company and is governed by the provisions of The Companies (Guernsey) Law, 2008, as amended (the "Companies Law"). It has been authorised by the Commission as a Class B Scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

