

Evanridge Swedish Property LLP Newsletter

Summer 2006



Fund Closure Date

Evanridge Properties LLP, in consultation with our FSA Authorised Fund operator, Ogier Corporate Administration Ltd, have set a final closing date for applications of **30th June 2006**.

There are two reasons for closing the fund at this time:

1. It is our view that the exchange rate between the Swedish Krona and Sterling has been very favourable to UK investors over the last six months. This could change with a proposed rise in interest rates by the Swedish Central Bank in late June causing the Krona to strengthen against the Pound.
2. The Fund is now approaching £3 million and we believe that with commitments shown, our initial target of £5 million of investor equity should be reached.

Please note, anyone wishing to invest in the fund must have returned a completed application form, along with the required documentation to the Fund operator, Ogier Corporate Administration Ltd, by the **30th June 2006**. Application forms received after this date will be returned.

Property Acquisition

Along with the initial acquisition of 17 high quality apartments and 3 commercial buildings in Trollhattan on behalf of the fund, Evanridge Properties LLP has exclusivity contracts on the following properties.

Tordyvel Apartments

This portfolio consists of 105 apartments in 5 buildings with ample parking for residents. The location is just South of Trollhattan, an area in which the Fund has already invested and is showing signs of strong economic growth.



Tordyvel Apartments

We are near the end of the due diligence process on this portfolio and are due to complete on the 20th June 2006.

We believe there is potential for creating exceptional value in this portfolio through active management. At present there are some vacant apartments which are undergoing refurbishment. Our aim is to refurbish the remaining apartments over the next two years thus adding considerably to the rental income and capital value. Our research also shows that the location is set for considerable infrastructure improvement and as a result, we believe there is potential for some considerable capital appreciation in this portfolio.

Lilla Edet Apartments

The second portfolio that Evanridge Properties has under an exclusivity contract, is situated in Lilla Edet, a commuter town just North of Gothenburg.

The portfolio comprises of 67 good quality, fully let apartments in 4 buildings. These apartments currently offer good rental returns in an area showing strong capital appreciation. The portfolio meets the Funds investment criteria and we believe it will deliver a very attractive rate of return for the fund.



Lilla Edet Apartments

We have commenced the due diligence on this portfolio and expect to complete on this purchase in late June.

Note of clarification

In the previous newsletter we mentioned that a portfolio of 130 apartments in Borås, a town east of Gothenburg in Western Sweden was under consideration. After further research and a careful review of the financial data, we felt that the acquisition price for this portfolio was too high with little scope for adding value. As a result it did not meet the Fund's investment criteria and was rejected.

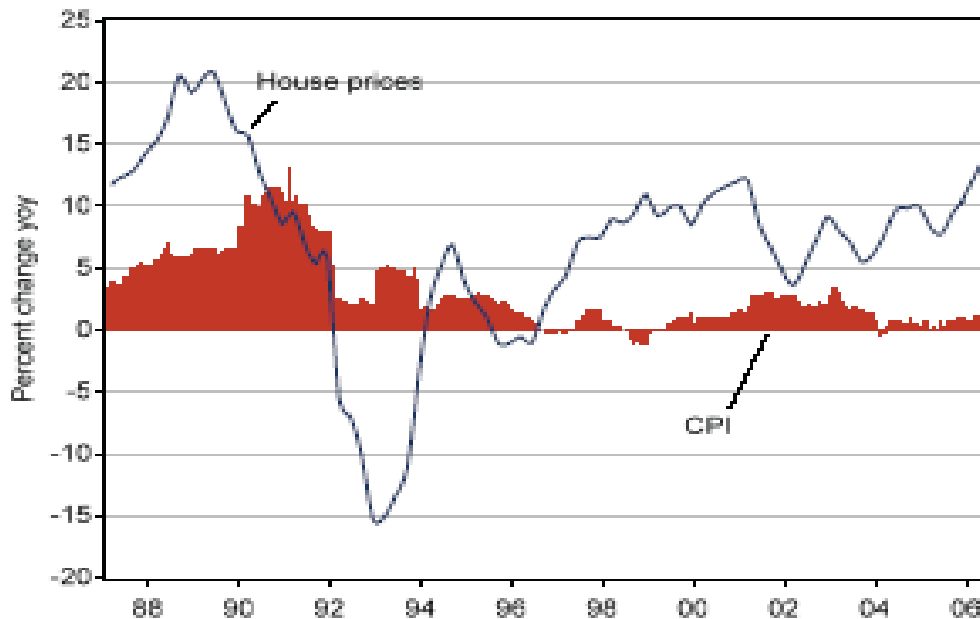
Swedish Outlook

The Swedish economy and property continues to perform well. Below is a selection of excerpts from the Swedish section of the Handelsbanken Capital Markets Report published on 26th April 2006.

“GDP growth is likely to have picked up strongly in the first quarter of 2006 due to stronger export demand. Domestic demand is also a strong driver. Improved corporate profits point to a continued upswing in investment, and households' real incomes are rising as employment increases. Inflation is low and the surplus in government finances creates room for fiscal policies that boost household incomes.”

“It would appear that Swedish GDP has speeded up to well above potential growth over the past year. This means that growth in 2006-07 will stand out in relation to economies like the US and the Euro zone. While we expect growth in the US to moderate substantially and the pick-up in activity in the Euro zone to be limited to around 2 percent, GDP growth in Sweden is expected to be close to 4 percent this year.”

Rise in house prices accelerates



Source: Reuters Ecowin

“Do higher house prices really make consumers richer – as a group? Owners become better off by as much as the buyers of their houses become worse off. One way to look at higher prices is to regard this as a redistribution of wealth, principally from the young to the old. But as house prices still matter for consumer demand, an overshooting and subsequent fall could have implications for consumer spending in the coming years. However, we do not see the position of Swedish households as particularly risky. The United Kingdom and Australia have experienced property booms that indicate prices well over equilibrium levels in relation to income growth to a much greater extent than has been seen in this country. Low real interest rates and high growth rates make some further acceleration quite likely for Swedish house prices.”

Profile of Anders Hammar, CEO & founder of Hammar Nordic AB, Evanridge Swedish Property LLP’s Property Manager

Anders is a well-respected real estate businessman with a wide range of experience in the Swedish real estate market.

His major achievements include the organization of two different real estate company divisions from inception, which included recruiting over 80 employees in different management roles. Over the last nine years he has purchased and sold real estate to the value of 4 billion SKR.

Anders founded Hammar Nordic AB in 2005, a company dedicated to providing a full range of management services to the real estate companies in Sweden.



Anders in his Trollhattan office

Hammar Nordic's first client was Akelius Fastigheter AB, who outsourced a substantial proportion of their property management work to Hammar Nordic and helped to provide the impetus for the formation of the company.

Prior to forming Hammar Nordic, Anders was real estate manager at Akelius Fastigheter with responsibility for the western Swedish parts of its portfolio. He also served as a member of the company's board of directors.

Akelius Fastigheter is a property company focused on owning, developing and managing high yield properties in high growth areas in southern and central Sweden. Their portfolio consists largely of residential properties and the portfolio has a current market valuation of SEK 19 billion, yielding rental income in excess of SEK 2 billion pa.

During the period 1998 to 2003, Anders worked as a real estate manager and board member of the Mandamus real estate company. This company was floated on the Swedish Stock Exchange in June 1998 and was subsequently acquired by Akelius Fastigheter in 2003 through the purchase of the company shares.

From 1994 to 1997, Anders was real estate manager at Diligentia Fastigheter AB with responsibility for cities and the area north of Gothenburg on the west coast of Sweden. Diligentia is one of Sweden's largest privately owned real estate companies with a property portfolio valued at SEK 35 billion. The portfolio is mainly concentrated in the Swedish growth areas of Stockholm, Oresund and Gothenburg.

Prior to joining Diligentia, Anders was area manager for the Swedish property Federation (Vastkustens Fastighetsagares Service AB). This association is the largest property owners' organisation in Sweden and provides help with rent negotiations and tenant disputes as well as providing advice on technical, economic and legal matters. Anders filled this role between 1990 and 1993 with responsibility for rent negotiations and negotiations with tenants and civil authorities.

Anders hasn't always been involved in real estate - between 1981 and 1989 he was a teacher of mathematics, physics, technology and IT. During this period he also served as a Reserve Officer in the Swedish army and his duties included providing security to the Swedish royal family. He also qualified as ski instructor during this period.

In his private life, Anders is married to Karin and they have one son, Henrik. He is also a committed golfer and skier and has organised a number of skiing tours for various bodies.

In closing this newsletter, we would like to take this opportunity once again to thank those of you already participating in Evanridge Swedish Properties LLP for your investment.

For those of you who receive this newsletter who have not invested, if you are still considering investing and have any questions you would like answered, please do not hesitate to get in touch but please keep in mind the closing date of **30th June 2006**. **We will not be able to accept applications after this date.**

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Risk Warning

The attention of members and prospective members is drawn to the fact that the Fund is committing to investments of an illiquid nature in Swedish real estate which may prove difficult to realise in the short term, such investments may be difficult to value and may involve an above average level of risk. Similarly there is no available public market for interests in the Fund and no such market is expected to develop in the future.

The attention of prospective Members is drawn to the risk factors referred to in the Fund's Information Memorandum.