

Gaw Capital Partners and InvestUK Launch Innovative “Education Bond” for Chinese Students in the UK

Bonds to raise up to £1 billion of UK inward investment for affordable housing and other priority infrastructure

Shanghai, November 3, 2016 – Gaw Capital Partners and InvestUK today signed an MoU to launch the “Education Bond,” an innovative investment product that allows Chinese and other international students to invest in the UK and gain Permanent Residence.

The programme is expected to raise up to £1 billion of foreign direct investment (FDI). At least half the bond will be invested in high-yield real estate-backed debt, with the balance held in UK Government bonds.

The funds raised with the Education Bond will be used to finance property-related projects in the UK, including in the affordable housing sector. The yield from these investments will fund bursaries to fund the student’s tuition fees.

Bondholders will be eligible to apply for UK ‘ILR’ (Permanent Residence) after a five-year term of the investment. The Education Bond has a minimum subscription price of £2 million which would be invested after a Tier 1 (Investor) Visa is granted.

Around 70,000 Chinese students attend UK schools and universities every year.

“We are delighted to partner with InvestUK to launch this creative and innovative Education Bond which we believe is a smart and original way to gain residency while benefiting from an education angle,” said Christina Gaw, Managing Principal and Head of Capital Markets, Gaw Capital Partners. “London is a key global gateway city with exceptional opportunities. The combination of attractive yield, top quality assets, coupled with attractive long term debt, makes London a particularly compelling market for real estate investments. We intend to use our in-depth understanding of the UK real estate market based on our proven track record to safeguard the Bond investment.” Gaw Capital Partners has been providing separate account services in the UK market for a high caliber list of institutional investors since 2010.

Rupert Gather, chairman of InvestUK, said, “The Education Bond is an innovative solution that addresses both the need to fund UK affordable housing, while continuing to attract world-class talent to the UK’s world-leading universities. It also provides a meaningful yield for the bondholder. This is a win-win-win, and exactly the kind of creative product that Britain’s Migration Advisory Committee has been calling for. The Education Bond conforms with both the letter and spirit of the UK’s

investment visa rules, while having a meaningful and measurable impact on Britain's real economy."

Gaw Capital Partners and its partner in the Education Bond product, InvestUK, will form an investment committee to oversee the debt investments; one aspect of this major new initiative – with its investment in property-related and asset-backed projects in the UK – will contribute to addressing the supply shortage of affordable housing in the UK, estimated at over 1 million new homes needed over the next 5 years. This is a national programme, with initial projects in Derby and Kent already under negotiation with one of the Bond's UK-based house building partners, Latis Homes.

According to Lyons Review, to keep up with the number of new households being formed, at least 243,000 homes a year must be built. In reality, the UK has only managed to deliver an average of 137,000 homes a year between 2004 and 2014.

The UK government is now tackling the supply shortage with Prime Minister promising to boost homebuilding. In addition to extra government spending, more institutional funding will flow into the affordable housing market.

About Gaw Capital Partners

Gaw Capital Partners is a uniquely positioned private equity fund management company that focuses in real estate markets in greater China and other high barrier-to-entry markets globally.

Specializing in adding strategic value to under-utilized real estate through redesign and repositioning, the firm's investments span the entire spectrum of real estate sectors, including residential development, offices, retail malls, hospitality and logistics warehouses.

Gaw Capital Partners runs an integrated business model with its own in-house asset management operating platforms in retail, hospitality and property development.

Gaw Capital Partners has raised five real estate commingle funds targeting the Greater China and Asia Pacific region. Additionally, the firm manages opportunistic funds in Vietnam and the US along with a hospitality fund targeting the Pan Asia region. Gaw Capital also provides services for separate account direct investments in the global markets. Notable UK investments include the Lloyd's building, Tower Place, Waterside Paddington, Vintners' Place, Allen House, Exchange Tower, Milton Gate, Clerkenwell House and 123-151 Buckingham Palace Road in London.

Since its inception in 2005, Gaw Capital Partners has raised equity of USD\$ 6.9 billion and commands assets of USD\$ 12.7 billion under management.

For more details, please view: <http://www.gawcapital.com>



About InvestUK

InvestUK is a Foreign Direct Investment platform to help international private clients invest directly into UK companies.

InvestUK offers a leading advisory business, having managed over 115 direct private equity investments since it was founded in 2012, helping the UK to be the number one destination for FDI in Europe. It is a member of the UK Government's Inward Investment Support Network and founder of the UK's Foreign Direct Investment Awards.

www.investuk.com