

**Purpose**

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

**Product**

**Name:** Horizon Housing REIT PLC ("the Company")  
**PRIP Manufacturer:** Horizon (GP) Limited  
**Competent authority:** The Financial Conduct Authority (FCA)

**ISIN:** GB00BF5FMZ33  
**Contact number:** 020 3666 5186  
**Website:** <http://www.horizonreit.com>

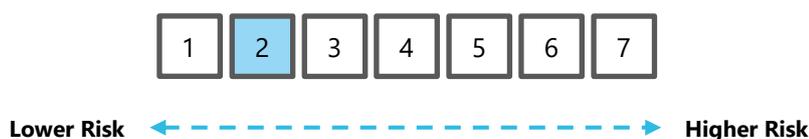
This key information document is accurate as at **27 April 2018**.

**What is this product?**

|                                 |   |
|---------------------------------|---|
| <b>Type</b>                     | The Company is a closed-ended investment company within the meaning of Section 833 of the Companies Act 2006 whose shares will have a premium listing on the main market of the London Stock Exchange. It is an alternative investment fund under the Alternative Investment Fund Managers Directive. The Company's ordinary shares are therefore available to the general public.  |
| <b>Objectives</b>               | The Company will seek to provide Shareholders with an attractive level of inflation-linked income, with the potential for capital growth, from investing in a portfolio of residential property assets, which are subject to fully repairing and insuring long leases or housing management agreements backed by Registered Housing Providers, Local Authorities or other corporate counterparties.   |
| <b>Intended retail investor</b> | The intended investor in the Company is a retail investor who is seeking long term (at least 5 years) investment and looking to receive stable income with the potential for capital growth. An investment in the shares of the company is only suitable for investors who are capable of evaluating the potential benefits of investment and have sufficient resources to bear any loss suffered by the investment. The product aims to produce inflation linked returns, targeting 4p per dividend in first financial year and 5p for the second financial year. Thereafter, the Board will seek to increase the target dividend with reference to inflation. |
| <b>Gearing</b>                  | The Company will have a debt facility and the Board target borrowing to be 40% of gross assets, subject to an absolute maximum of 50%. Gearing will typically be non-recourse and secured against properties. Where debt is secured against a group of assets, such group of assets shall not exceed 25 per cent of the Gross Asset Value in order to ensure that investment risk remains suitably spread. The objective of gearing is to improve Shareholder returns however this could magnify any gains or losses made by the company.   |
| <b>Bid / Offer spread</b>       | Shares of the Company are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it.   |
| <b>Continuation</b>             | The Company has been established with an indefinite life however the Articles of Association provide that an ordinary resolution must be passed every 5 years for the Company to continue. The first vote will be 5 years from date of admission.   |

**What are the risks and what could I get in return?**

**Risk Indicator**



The risk indicator assumes you keep the product for 5 years. If you sell your product earlier you may have to sell at a price that significantly impacts how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact the capacity of the Company to pay you. This product does not include any protection from future market performance so you could lose some or all of your investment.

## Performance Scenarios

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself, but may not include all the costs that you pay your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

These results below are based on simulations where the manufacturer has used, what it believes to be the most reflective comparative funds / indices to the Company. Consequently the results below should be reviewed in the context with the other documents referred to in the other information section below.

| Investment: £10,000          |   | 1 year  | 3 years | 5 years |
|------------------------------|---|---------|---------|---------|
| <b>Stress scenario</b>       | What you might get back after costs (£) | 7,338   | 7,890   | 7,333   |
|                              | Average return each year (%)            | -26.62% | -7.60%  | -6.02%  |
| <b>Unfavourable scenario</b> | What you might get back after costs (£) | 10,062  | 10,839  | 11,813  |
|                              | Average return each year (%)            | 0.62%   | 2.72%   | 3.39%   |
| <b>Moderate scenario</b>     | What you might get back after costs (£) | 10,569  | 11,817  | 13,212  |
|                              | Average return each year (%)            | 5.69%   | 5.72%   | 5.73%   |
| <b>Favourable scenario</b>   | What you might get back after costs (£) | 11,120  | 12,905  | 14,802  |
|                              | Average return each year (%)            | 11.20%  | 8.87%   | 8.16%   |

## What happens if Horizon Housing REIT PLC is unable to pay out?

As a shareholder of Horizon Housing REIT PLC you would not be able to make a claim to the Financial Services Compensation Scheme about Horizon Housing REIT PLC in the event that the Company is unable to pay out.

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

## Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

| Investment: £10,000<br>If you cash in after... | 1 year | 3 years | 5 years |
|--|--------|---------|---------|
| Total Costs (£)                                | 218    | 746     | 1419    |
| Impact on return (RIY) per year (%)            | 2.18%  | 2.18%   | 2.18%   |

## Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

| This table shows the impact on return per year |                             |       |  |
|--|-----------------------------|-------|--|
| <b>One – off costs</b>                         | Entry costs                 | 0.00% | This product does not have any entry costs.  |
|  | Exit costs                  | 0.00% | This product does not have any exit costs.   |
| <b>Ongoing costs</b>                           | Portfolio transaction costs | 0.00% | The impact of the costs of the fund buying and selling underlying investments for the product. |
|  | Other ongoing costs         | 2.18% | The impact of the costs taken by the fund each year for managing your investments.*            |
| <b>Incidental costs</b>                        | Performance fees            | 0.00% | The product does not have any performance fees.  |
|  | Carried interests           | 0.00% | This product does not charge any carried interest.   |

\*other on-going costs include borrowing costs of 0.58%

## How long should I hold it and can I take money out early?

### Recommended required minimum holding period: 5 years

The product has no required minimum holding period but is designed for medium to long-term investment. The recommended minimum holding period of 5 years has been selected as the Company's ordinary shares are designed to be held over the long term and may not be suitable as short-term investments.

There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investments. The value of the ordinary shares and the income derived from them (if any) may go down as well as up. Although the ordinary shares are traded on the Main Market, it is possible that there may not be a liquid market in the shares and investors may have difficulty selling them. Accordingly, investors may be unable to realise their shares at the quoted market price (or at the prevailing net asset value per share), or at all.

There are no additional fees or penalties incurred on exit, however the price you receive on the open market may not reflect the underlying NAV of the shares.

### How can I complain?

As a shareholder of the Company you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of The Company. Complaints about the company or the key information document should be directed to Sean Cufley, Compliance Officer of Horizon (GP) Limited.

More information can be found by telephoning 020 3666 5186.

You can submit your complaint via post to Sean Cufley, Compliance Officer, Horizon (GP) Limited, Tallis House, 2 Tallis Street, London, EC4Y 0AB or via email to [sean@horizon-infra.com](mailto:sean@horizon-infra.com).

### Other relevant information

The Initial Public Offering ("IPO") has a target fund raise of £125m and it is expected the Company will start trading on the main market of the London Stock Exchange on 31 May 2018. The prospectus and associated documents for the Company can be found at <http://www.horizonreit.com> and should be read in conjunction with this document. The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules using data which is believed to be most reflective of future performance. Assumptions have been made as the Company has not started investing and any changes to the assumptions used by the manufacturer would result in different results as detailed in the performance scenarios and risk indicators. Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and stamp duty. The distributor will provide you with additional documents where necessary. Please refer to pre-sale costs and charges, product flyer and pre-IPO note which can be found at <http://www.horizonreit.com> and should be read prior to making any investment decision.