

Independent Living REIT PLC – Ordinary Shares Key Information Document (ISIN: GB00BPLHRL49)

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.

You are about to purchase a product that is not simple and may be difficult to understand.

PRODUCT

Name: Independent Living REIT PLC – Ordinary Shares

Name of PRIIP Manufacturer: Independent Living REIT PLC (“the Company”)

ISIN: GB00BPLHRL49

Contact details: www.independentlivingreit.com or by phone on +44 (0) 20 3327 9720

Competent Authority: The Financial Conduct Authority

Date of production of this document: 22 August 2022

WHAT IS THIS PRODUCT?

Type: The Company is an externally managed closed-ended investment company incorporated in England and Wales on 14 July 2022 and registered as an investment company under section 833 of the Companies Act. The Company intends to carry on business as a REIT for the purposes of Part 12 of the Corporation Tax Act (and the regulations made thereunder), subject to meeting the necessary qualifying conditions.

Objectives: The Company’s investment objective is to address the shortage of high-quality Supported Housing, delivering capital growth and inflation-linked income returns for its investors while providing a fair deal for society through savings for the British taxpayer, and improved outcomes for the individuals housed.

The Company’s investment policy is to invest in a diversified portfolio of Fit For Purpose¹ Supported Housing, which is let to Compliant Tenants².

Where possible the Company will make investments in

- Standing Assets – existing residential asset which is leased or able to be leased without capital expenditure.
- Refurbishment Assets – existing residential asset that can be refurbished for use as supported housing.
- Conversion Assets – a property being used for an alternative use and is capable of being converted.
- Development Assets – a new build development that can be built for Supported Housing

The Company’s minimum exposure to Supported Housing Assets let to Compliant Tenants will not be less than 80% of Adjusted Gross Asset Value. No more than 20% of Adjusted Gross Asset Value will be exposure to investments which are (a) in real estate located in the United Kingdom which does not constitute Supported Housing assets and/or (b) in Supported Housing Assets that are not let to Compliant Tenants.

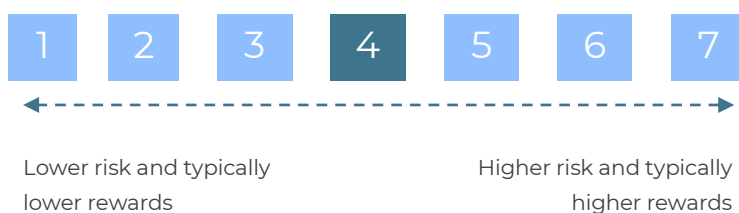
Intended Retail Investor: investors in the Company are expected to be institutional investors, professionally advised private investors and retail investors. An investment in the Company is only suitable for persons capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from the investment (which may equal the whole amount invested). Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Private investors in the UK who are unsure whether to invest should consider consulting a financial adviser authorised under the FSMA to assess whether an investment in the Company is suitable.

¹ Appropriately designed to address specific needs with a view to enabling independent living

² Compliant Registered Providers and Permitted Housing Providers

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

RISK INDICATOR



The risk indicator assumes you keep the Product for 5 years. The actual risk can vary significantly if you redeem at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

PERFORMANCE INFORMATION

The main factors for this Fund are the conditions of the UK property market and regulatory conditions in the UK regarding Supported Housing as well a change to the demand dynamics for supported Housing. The Fund must have an 80% exposure to Supported Housing Assets let to qualifying supported housing tenants.

A historical proxy for Independent Living REIT PLC – Ordinary Shares total return data, was made from combining the returns data from previously existing UK REITs from the Residential and Health sector. Running from 31 May 1999 to 22 August 2022, the proxy returned 13.3% per annum. Over rolling 5-year periods the average risk of the proxy was 20.1% annualised. The maximum risk over a 5-year rolling window was 36.3% annualised and the minimum was 10.4%. From the proxy performance data, we have established the ex-ante moderate performance scenario return to be 7.7% per annum over the recommended holding period of 5 years.

Stress tests indicate that the Fund was more correlated with the UK Residential Property market when markets fell or rose in their bottom or top daily movements. For example, during the largest percentile of UK DS Residential REIT movements, the proxy experienced a daily fall of 4.13% or a daily rise of 4.65%.

What could affect my return positively?

Specific factors that may affect returns positively are good management of the company's portfolio, through a strong selection of holdings that are outperforming the markets. General factors that affect positive returns for the Fund would be strong performance of the UK economy and residential property sector. In terms of quantitative evidence, the best 5-year rolling performance of the Proxy was 32.5% per annum.

What could affect my return negatively?

Specific factors that may affect returns poorly are poor management of the company's portfolio, through a selection of holdings that are generally performing worse than the markets they're in. General factors that affect negative returns for the Fund would be a downturn in the UK economy, or changes to the regulations on Supported Housing. In terms of quantitative evidence, the Proxy's worst 5-year rolling performance was -0.01% per annum.

What could happen in severely adverse market conditions?

Under severely adverse market conditions, the investor could expect to lose some or all of their investment. The worst return an investor could have experienced from investing in the Proxy was a 78.7% fall from August 2006 to October 2008, recovering in June 2014.

WHAT HAPPENS IF THE MANUFACTURER IS UNABLE TO PAY OUT?

The Product is intended to be perpetual; however, you can buy or sell your shares on a monthly basis by contacting the Product's administrator. If the Product becomes insolvent, then shareholders participate in the insolvency in accordance with the constitutional documents of the Product.

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. 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 OF £10,000

SCENARIOS	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the end of the recommended holding period
Total Costs	£163	£571	£1,114
Impact on return (RIY) per year	1.63%	1.63%	1.63%

COMPOSITION OF COSTS

The table below shows:

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

THIS TABLE SHOWS THE IMPACT ON RETURN PER YEAR

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of buying and selling underlying investments for the Product.
	Other on-going costs	1.63%	The impact of the costs that we take each year for managing your investment.
Incidental costs	Performance fees	0.00%	The impact of the performance fee. We take these from your investment if the Product outperforms its benchmark.
	Carried interest	0.00%	The impact of carried interests.

HOW LONG SHOULD I HOLD IT, AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: 5

This is a medium to long term investment.

The Company is an investment company whose Ordinary Shares are to admitted to the premium segment of the Financial Conduct Authority's Official List and to trading on the main market of the London Stock Exchange. Shareholders who wish to realise their investment may only do so by selling their shares on the market. The price at which the shares are traded will be based on trading prices at the time on the London Stock Exchange on any normal business day.

HOW CAN I COMPLAIN?

As a shareholder of the Product you do not have a right to complain to the Financial Ombudsman Service about the management of the Product. Complaints about the Product or the key information document can be made via e-mail to the address given on the Company's website www.independentlivingreit.com at Independent Living REIT PLC, 6th Floor, 125 London Wall, London, United Kingdom, EC2Y 5AS on +44 (0)20 3327 9720 and/or contact@independentlivingreit.com

OTHER RELEVANT INFORMATION

The main documents relating to the Product are available at www.independentlivingreit.com.