



# Responsible Housing REIT plc

Prospectus  
September 2021

Aligning investment returns  
with clear societal benefits

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a prospectus (the "**Prospectus**") relating to Responsible Housing REIT plc (the "**Company**") and has been prepared in accordance with the UK Prospectus Regulation and the Prospectus Regulation Rules of the Financial Conduct Authority (the "**FCA**"). This Prospectus has been approved by the FCA, as the competent authority under the UK Prospectus Regulation and the FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Accordingly, such approval should not be considered as an endorsement of the Company that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. This document will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at [www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk).

The Directors of the Company, whose names appear on page 41 of this Prospectus, and the Company each accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

**Prospective investors should read the entire Prospectus and, in particular, the section headed "Risk Factors" on pages 12 to 26 of this Prospectus when considering an investment in the Company.**

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# RESPONSIBLE HOUSING REIT PLC

*(A company incorporated in England and Wales with registered number 13539728 and registered as an investment company under section 833 of the Companies Act 2006)*

**Placing, Offer for Subscription and Intermediaries Offer for a target issue of up to 250 million Ordinary Shares at 100 pence per Ordinary Share**

**and**

**Admission to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market**

**Investment Manager**

**BMO Investment Business Limited**

**Sole Bookrunner and Intermediaries**

**Offer Adviser**

**Sponsor**

**Dickson Minto W.S.**

**Peel Hunt LLP**

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Applications will be made to the FCA and the London Stock Exchange for all the Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium listing segment of the Official List of the FCA and to trading on the premium segment of the main market for listed securities of the London Stock Exchange. It is expected that Admission will become effective, and dealings in the Ordinary Shares issued pursuant to the Issue will commence, at 8.00 a.m. on 5 October 2021. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.

The Offer for Subscription will remain open until 11.00 a.m. on 30 September 2021, the Intermediaries Offer will remain open until 3.00 p.m. on 30 September 2021 and the Placing will remain open until 5.00 p.m. on 30 September 2021. Persons wishing to participate in the Offer for Subscription should complete the Application Form set out in Appendix 1 to this Prospectus and the Tax Residency Self-Certification Form set out in Appendix 2 to this Prospectus (unless you are paying for your subscription through CREST on a Delivery versus Payment ("**DvP**") basis, as no Tax Residency Self-Certification Form will be required for DvP CREST investors to accompany the duly completed Application Form). To be valid, Application Forms and Tax Residency Self-Certification Forms (except for DvP CREST investors) must be completed and returned with the appropriate remittance by post to the Receiving Agent so as to be received no later than 11.00 a.m. on 30 September 2021.

Dickson Minto W.S. ("**Dickson Minto**") and Peel Hunt LLP ("**Peel Hunt**") are the Sponsor, and the Placing Agent and the Intermediaries Offer Adviser to the Company respectively. Both Dickson Minto and Peel Hunt are authorised and regulated in the United Kingdom by the FCA. Each of Dickson Minto and Peel Hunt are acting exclusively for the Company and for no-one else in connection with Admission, the Issue and the other arrangements referred to in this Prospectus, will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to Admission, the Issue and the other arrangements referred to in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to the respective clients of Dickson Minto and Peel Hunt, nor for providing advice in connection with Admission, the Issue and the other arrangements referred to in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto and Peel Hunt by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of Dickson Minto, Peel Hunt nor any person affiliated with Dickson Minto or Peel Hunt accepts any responsibility whatsoever and makes no representation or warranty, express or implied, as to the contents of this Prospectus, including its accuracy or completeness, or for any other statement made or purported to be made by them, or on their behalf, the Company or any other person in connection with the Company, the Shares, Admission or the Issues and nothing contained in this Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of Dickson Minto and Peel Hunt (and their respective affiliates) does not assume any responsibility for the accuracy, completeness or verification of this Prospectus or for any other statement made or purported to be made by them, or on their behalf, the Company or any other person in connection with the Company, the Shares, Admission or the Issue and accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise be found to have in respect of this Prospectus or any such statement.

The Investment Manager accepts responsibility for the information and opinions contained in the sections entitled “Risk Factors”, Part 1 (*Investment Highlights*), Part 2 (*Investment Opportunity Overview*), Part 3 (*Market Background and Investment Opportunity*), Part 4 (*Investment Management Team, Strategy, Process and Pipeline*) and Part 5 (*Directors, Management and Administration*) of this Prospectus and any other information or opinion related to or attributed to it or any affiliate of the Investment Manager. To the best of the Investment Manager's knowledge, the information and opinions contained in this Prospectus related to or attributed to it or any affiliate of the Investment Manager are in accordance with the facts and this Prospectus does not omit anything likely to affect the import of such information or opinions.

Prospective investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the Investment Manager, Dickson Minto or Peel Hunt. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the UK Prospectus Regulation and UK MAR, neither the delivery of this Prospectus nor any subscription for or purchase of Ordinary Shares pursuant to the Issue under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. Prospective investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for Ordinary Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, the Investment Manager, Dickson Minto or Peel Hunt nor any of their respective representatives is making any representation to any offeree or purchaser of Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

#### **Intermediaries Offers**

The Company consents to the use of this Prospectus by the Intermediaries in connection with the Intermediaries Offer in the United Kingdom, Jersey, Guernsey and the Isle of Man on the following terms: (i) in respect of Intermediaries who are appointed by the Company on or prior to the date of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and agree to adhere to and be bound by the Intermediaries Terms and Conditions, in each case until the closing of the Intermediaries Offer.

The offer period, within which any subsequent resale or final placement of securities by Intermediaries can be made and for which consent to use this Prospectus is given, commences on 13 September 2021 and closes at 3.00 p.m. on 30 September 2021, unless closed prior to that time and/or date (any such earlier closure will be announced through a Regulatory Information Service). The Company and the Directors accept responsibility for the information contained in this Prospectus with respect to any purchaser of Ordinary Shares pursuant to the Intermediaries Offer.

**Any Intermediary that uses this Prospectus must state on its website that it is using this Prospectus in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of any subsequent resale or final placement of securities to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary at the time of the offer by the Intermediary. Any application made by investors to any Intermediary is also subject to the terms and conditions imposed by such Intermediary.**



### **U.S. and other overseas investors**

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”). Outside the United States, the Ordinary Shares may be sold pursuant to Regulation S under the US Securities Act. Any sale of Ordinary Shares in the United States may only be made to persons reasonably believed to be “qualified institutional buyers”, as defined in Rule 144A under the US Securities Act. The Company will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and investors in the Ordinary Shares will not be entitled to the benefits of regulation under the US Investment Company Act.

This Prospectus does not constitute an offer to sell or issue, or the solicitation of an offer to purchase, subscribe for or otherwise acquire, Ordinary Shares in any jurisdiction where such an offer or solicitation would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Investment Manager or Peel Hunt. The distribution of this Prospectus and the offer of the Ordinary Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this Prospectus (or any other offering materials or publicity relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus, nor any other offering materials or publicity relating to the Ordinary Shares may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus (or any other offering materials or publicity relating to the Ordinary Shares) comes should inform themselves about and observe any such restrictions.

Unless otherwise expressly agreed with the Company, the Ordinary Shares may not be acquired by: (i) investors using assets of: (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Ordinary Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

Neither the United States Securities and Exchange Commission (the SEC) nor any securities regulatory authority of any state or other jurisdiction of the United States has approved or disapproved of the Ordinary Shares or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The offer and sale of the Ordinary Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. The Ordinary Shares may not be offered or sold within Australia, Canada, Japan or the Republic of South Africa or to any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa unless an exemption from any registration or prospectus requirement is available.

In relation to the United Kingdom and each member state in the EEA, no Ordinary Shares have been or will be directly or indirectly offered to or placed with investors in the United Kingdom or that member state at the initiative of or on behalf of the Company, the Investment Manager or Peel Hunt other than in accordance with methods permitted in the United Kingdom or that member state.

Copies of this Prospectus will be available on the Company’s website ([www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk)) and the National Storage Mechanism of the FCA at <https://data.fca.org.uk/a/nsm/nationalstoragemechanism>.

**Without limitation, neither the contents of the Company’s or the Investment Manager’s website (or any other website) nor the content of any website accessible from hyperlinks on the Company’s or the Investment Manager’s website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this Prospectus alone.**

**13 September 2021**

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## SUMMARY

### INTRODUCTION AND WARNING

#### Introduction

This document relates to the issue of ordinary shares of 1 penny each (the “**Ordinary Shares**”) in the capital of Responsible Housing REIT plc (incorporated in England and Wales with registered number 13539728) (the “**Company**”). The ISIN for the Ordinary Shares to be issued under the Issue is GB00BMYX1W70 and the SEDOL is BMYX1W7. The LEI of the Company is 213800AUZ52FFDTHZ656.

The Company can be contacted by writing to its registered office, Exchange House, Primrose Street, London, Greater London, EC2A 2NY or by calling, within business hours, +44 (0)20 7628 8000.

This Prospectus was approved by the Financial Conduct Authority (the “**FCA**”) in the United Kingdom on 13 September 2021. The head office of the FCA is at 12 Endeavour Square, London E20 1JN. Contact information relating to the FCA can be found at <https://www.fca.org.uk/contact>.

#### Warning

The following summary should be read as an introduction to this Prospectus. Any decision to invest in the Ordinary Shares should be based on a consideration of this Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the securities.

### KEY INFORMATION ON THE ISSUER

#### Who is the issuer of the securities?

The Company is a public company limited by shares incorporated in England and Wales with an unlimited life under the Companies Act on 30 July 2021 and is domiciled in the United Kingdom. The Company is registered as an investment company under section 833 of the Companies Act and intends to carry on business as a REIT for the purposes of Part 12 of the Corporation Tax Act (and the regulations made thereunder). The principal legislation under which the Company operates is the Companies Act and regulations made thereunder. The Company’s LEI is 213800AUZ52FFDTHZ656.

The Articles do not provide for any objects of the Company and accordingly the Company’s objects are unrestricted. The Company’s principal activity is to invest in a diversified portfolio of fit-for-purpose Supported Housing accommodation assets across the UK let predominantly on index-linked leases. “Supported Housing” is accommodation provided alongside support, supervision or care to help people live as independently as possible in the community. The investment objective of the Company is to generate a consistent and sustainable income based return from the provision of Supported Housing accommodation assets and aligned sectors.

As at the date of this Prospectus, insofar as is known to the Company, there are no parties known to have a notifiable interest under English law in the Company’s capital or voting rights. Pending the allotment of Ordinary Shares pursuant to the Issue, one Ordinary Share has been issued to the subscriber to the Company’s memorandum of association and 50,000 Redeemable Preference Shares (which will be redeemed immediately following Admission out of the proceeds of the Issue) have been issued to the Investment Manager.

The Company does not have a fixed life. Under the Articles, the Board is obliged to propose an ordinary resolution that the Company continues its business as a REIT at the annual general meeting of the Company held in 2027 and at every fifth annual general meeting thereafter.

The Directors of the Company are as follows:

- Robin Minter-Kemp (Chairman);
- Clive Bouch (Chairman of the Audit Committee);
- Katie Gordon; and
- Simon Prichard (Senior Independent Director).

All of the Directors are non-executive directors and are independent of the Investment Manager.

The Board intends to appoint a fifth Director following Admission. It is anticipated that the individual will be independent and appointed in accordance with the Board's policy on appointing new Directors. Any appointment will be based on merit and objective criteria and, within this context, will promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Company has appointed BMO Investment Business Limited (the "**AIFM**" or "**Investment Manager**") as the Company's alternative investment fund manager to provide overall portfolio and risk management services to the Company. The Investment Manager has delegated certain asset management services to BMO REP Asset Management plc (the "**Asset Manager**") who, in turn, has delegated the provision of property management services to BMO REP Property Management Limited (the "**Property Manager**"). Each of the Investment Manager, the Asset Manager and the Property Manager are part of the BMO Asset Management (Holdings) plc group ("**BMO**"). BMO is wholly owned by Bank of Montreal and is part of the BMO Global Asset Management group of companies. On 12 April 2021, BMO Financial Group announced the sale of its EMEA asset management business to Columbia Threadneedle Investments, with completion expected in the final quarter of 2021 (subject to regulatory consents and closing conditions). The agreement between the two parties will see BMO Global Asset Management's talent and strategic capabilities in EMEA brought into Columbia Threadneedle Investments. This includes BMO's expertise in investment trusts, real estate and responsible investing, three areas that are expected to continue to be in the enlarged Columbia Threadneedle Investments business post completion.

The Property Manager has entered into an advisory agreement with Social Income LLP (the "**Social Income Adviser**") pursuant to which the Social Income Adviser will assist with, *inter alia*, deal origination and the sourcing of Supported Housing assets, relationship management with Registered Providers, Care Providers and the Local Authority Care Commissioners, and managing the refurbishment and development of the Company's Supported Housing assets as the Company's portfolio stabilises. The Social Income Adviser's annual advisory fee will be paid by the Property Manager out of its share of the Investment Manager's annual investment management fee under the Management Agreement. However, the Company will be responsible for paying certain of the fees in respect of the services provided to the Property Manager under the Social Income Advisory Agreement to the Social Income Adviser directly.

The Company is in the process of appointing its statutory auditor and expects to appoint its preferred firm, BDO LLP of 55 Baker Street, London, W1U 7EU shortly following Admission.

#### **What is the key financial information regarding the issuer?**

The Company has not commenced operations since its incorporation on 30 July 2021 and no financial statements of the Company have been made up as at the date of this Prospectus.

#### **What are the key risks that are specific to the issuer?**

The following are brief descriptions of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to the Company.

- There can be no guarantee that the Company will achieve its investment objective or that investors will get back the amount of their original investment. The Company has no operating history and investors have a limited basis on which to evaluate the Company's ability to achieve its investment objective.
- The Company has not entered into any legally binding contractual arrangements to acquire any properties from any potential vendors. Although the Property Manager has identified a number of available properties that are consistent with the Company's investment objective and investment policy, there can be no certainty that the Company will be able to acquire these or other properties on acceptable terms or at all. The Company will face competition from other property investors. There can therefore be no assurance as to how long it will take the Company to invest the Net Issue Proceeds. Any delays in deployment of the Net Issue Proceeds may have an impact on the Company's results of operations, cash flows and returns available to investors.
- Prior to the Company entering into an agreement to acquire a property, the Property Manager, on behalf of the Company, will perform due diligence on the property concerned. In doing so, it would typically rely on third parties to conduct a significant portion of this due diligence. There can be no assurance that any due diligence examinations carried out by third parties on behalf of the Company will reveal all of the risks associated with that asset, or the full extent of such risks. To the extent that such third parties underestimate or fail to identify risks and liabilities (including any environmental liabilities) associated with the property in question, this may have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares.
- There is a risk that the current government or future governments may take a different approach to Supported Housing or sectors aligned with Supported Housing and the level of government funding (including the level of 'exempt' Housing Benefit) made available to housing associations and other similar organisations. Any such changes, including any reduction in the availability of Housing Benefit or decisions made by housing associations not to continue to fund the rents for the Company's

assets, may have an adverse effect on the ability of the Company to pursue its investment objective, and may adversely affect the Company's performance and its returns to Shareholders.

- As all of the Company's assets will be invested in UK property (the majority within the Supported Housing sector as well as limited exposure to other UK property sectors for example retail or leisure where a shop or a gym is located on the ground floor of an apartment block), the Company's performance will be subject to, among other things, the conditions of the property markets (both the Supported Housing, wider residential and the commercial markets) in the UK, which will affect both the value of any assets that the Company acquires and the income such assets produce. Any property market recession or future deterioration in the property market could, *inter alia*: (i) make it harder for the Company to locate suitable new tenants for its properties; (ii) lead to a lack of finance available to the Company; (iii) cause the Company to realise its investments at lower valuations; and (iv) delay the timings of the Company's realisations. A decline in the value of the Company's properties may also weaken the Company's ability to obtain financing for new investments. Any of the foregoing could have a material adverse effect on the ability of the Company to achieve its investment objective. The Company's investments will be illiquid and may be difficult to realise at a particular time.
- Property and property-related assets are inherently difficult to value due to the individual nature of each property and property valuation is inherently subjective and uncertain. As a result, valuations are subject to uncertainty and there can be no assurance that the estimates resulting from the valuation process will reflect actual sales prices that could be realised by the Company in the future. The Investment Manager will rely on property valuations in calculating the NAV.
- The Company will forward fund property assets that are in construction or may, in some circumstances, undertake direct development activity and assume direct development risk. Forward funded and direct development projects are subject to the hazards and risks normally associated with the construction and development of real estate. To the extent that risks are not assumed by the developer, the occurrence of any of these events could result in delays to the completion of the development and, as a result, delays to the asset becoming operational and income producing as well as increased operating costs, fines and legal fees and potentially in reputational damage or criminal prosecution of the Company, and its directors or management, all of which could have an adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.
- The Company intends to secure borrowing facilities in the future to pursue the Company's investment objective. It is not certain that such facilities will be available on acceptable terms or at all. Any amounts that are secured under a bank facility are likely to rank ahead of Shareholders' entitlements and accordingly, should returns derived from the Company's investments not be sufficient to cover the costs and liabilities of such borrowings, on a liquidation of the Company, Shareholders may not recover their initial investment and in certain circumstances may lose their entire investment. Whilst the use of borrowings should enhance the NAV per Share where the value of the Company's investments is rising, it will have the opposite effect where the value of the Company's investments is falling. In addition, in the event that rental income from the Company's investments falls (for example as a result of defaults by tenants) the use of borrowings will increase the impact of such falls on the net revenue of the Company and this in turn will have an adverse effect on the Company's ability to pay dividends. The Company will pay interest on its borrowings. As such, the Company may be exposed to interest rate risk due to fluctuations in the prevailing market rates.
- The Company expects to incur significant time and costs and third party costs in connection with potential acquisitions, including costs in connection with identifying suitable investment opportunities, due diligence, negotiating transaction documentation and legal and accounting costs. Where prospective acquisitions do not proceed to completion, those costs incurred may adversely affect the Company's business, financial condition, results of operations and prospects.
- Any downturn in the UK's economy or regulatory changes in the UK could have a material adverse effect on the Company's results of operations or financial condition. In addition, the Company's assets will, once the Company is fully invested, be invested predominantly within a single sector: Supported Housing in the UK. Investing exclusively in a single sector and single asset class may lead to greater volatility in the value of the Company's investments and the NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.
- A change in the Company's tax status or in taxation legislation in the UK could adversely affect the Company's profits and portfolio value and/or returns to Shareholders. In particular, the Company cannot guarantee that it will qualify, or remain qualified, as a REIT. If the Company fails to qualify or remain qualified as a REIT, the Company will be subject to UK corporation tax on some or all of its property rental income and chargeable gains on the sale of properties and/or certain property



holding companies, which could reduce the amounts available to distribute to Shareholders and change the tax status of distributions received by investors.

## KEY INFORMATION ON THE SECURITIES

### What are the main features of the securities?

#### **Ordinary Shares**

The Ordinary Shares have a nominal value of one penny each and are denominated in Sterling. The ISIN for the Ordinary Shares is GB00BMYX1W70 and the SEDOL is BMYX1W7. The ticker code for the Ordinary Shares is RHR.

The Shares are being offered under the Issue at the price of 100 pence per Ordinary Share (the “**Issue Price**”).

The Company is targeting Gross Issue Proceeds of up to £250 million under the Issue. The Company will, however, have the flexibility to raise up to £300 million under the Issue.

#### **Issued share capital**

Set out below is the issued share capital of the Company as at the date of this Prospectus:

	<i>Aggregate nominal value</i>	<i>Number</i>
Management Shares	£50,000.00	50,000
Ordinary Share	£0.01	1

The Ordinary Share in issue is fully paid up. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under section 761 of the Companies Act, on 17 August 2021, 50,000 redeemable preference shares of £1.00 each in the capital of the Company (the “**Management Shares**”) were allotted to the Investment Manager. The Management Shares are fully paid up and will be redeemed following Admission.

#### **Rights attaching to the Ordinary Shares**

**Rights as regards dividends:** Shareholders shall be entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares that they hold.

**Rights as regards capital:** Shareholders are entitled to participate in the net assets of the Company attributable to their Ordinary Shares on a winding up of the Company or other return of capital.

**Rights as regards voting:** Shareholders have the right to receive notice of, attend and vote at general meetings of the Company. Each Shareholder being present in person or by proxy or by a duly authorised representative (if a company) at a general meeting shall upon a show of hands have one vote and upon a poll all Shareholders have one vote for every Ordinary Share held.

#### **Restrictions on the free transferability of the Ordinary Shares**

There are no restrictions on the transferability of the Ordinary Shares, subject to compliance with applicable securities laws and the Articles.

#### **Dividend policy**

When the Net Issue Proceeds have been fully invested, the minimum targeted annual dividend yield will be 5.0 per cent. by reference to the Issue Price, starting from the financial period commencing 1 October 2022, with the potential to grow the dividend in absolute terms through upward-only inflation-protected lease agreements. In addition, the targeted total NAV return from this date will be a minimum of 7.5 per cent. per annum (net of fees and expenses), by reference to the Issue Price, over the medium term which will be achieved through the use of portfolio leverage as well as the reinvestment of cash flows and asset management initiatives. In respect of the first financial period ending 30 September 2022, whilst the Net Issue Proceeds are being deployed, the target is to pay a minimum total dividend of 2.5 pence per Ordinary Share.

The Company intends to declare dividends on a quarterly basis by way of four interim dividends of equal amounts (subject to reporting based adjustments), for periods ending September, December, March and June. The Company’s first interim dividend, in respect of the period ending 31 December 2021, is expected to be declared in February 2022 and paid on or around 31 March 2022.

In order to obtain and comply with REIT status, the Company will be required to meet a minimum distribution test for each year that it is a REIT. This minimum distribution test requires the Company to

distribute 90 per cent. of the income profits of its Property Rental Business for each accounting period, as adjusted for tax purposes.

#### **Where will the securities be traded?**

Applications will be made to the FCA and the London Stock Exchange for all of the Ordinary Shares in issue and to be issued in connection with the Issue to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.

#### **What are the key risks that are specific to the securities?**

The following is a brief description of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to the Ordinary Shares.

- The market value of, and the returns (if any) derived from, the Ordinary Shares may go down as well as up and an investor may not get back the amount invested.
- The market price of the Ordinary Shares may fluctuate independently of their underlying net asset value and may trade at a discount or premium to net asset value at different times. While the Directors may seek to mitigate any discount to the NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.
- Although the Ordinary Shares will be listed on the Official List and admitted to trading on the London Stock Exchange's main market, there may not be a liquid market in the Ordinary Shares and Shareholders may have difficulty selling them. The Company cannot predict or effectively influence the extent to which investor interest will lead to the development of an active and liquid trading market for the Ordinary Shares or, if such a market develops, whether it will be maintained and the Directors are under no obligation to effect repurchases of Ordinary Shares. In addition, if such a market does not develop, relatively small transactions or intended transactions in the Ordinary Shares may have a significant negative impact on the price of the Ordinary Shares whilst transactions or intended transactions related to a significant number of Ordinary Shares may be difficult to execute at a stable price.
- The Company may issue new equity in the future. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

### **KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET**

#### **Under which conditions and timetable can I invest in this security?**

##### ***General terms and conditions and timetable***

The Company is targeting Gross Issue Proceeds of up to £250 million through the issue of Ordinary Shares at the Issue Price (being 100 pence per Ordinary Share) pursuant to the Placing, Offer for Subscription and Intermediaries Offer (together, referred to as the "**Issue**"). The Company will, however, have the flexibility to raise up to £300 million under the Issue. The total number of Ordinary Shares allotted under the Issue will be determined by the Company, Peel Hunt, the Investment Manager and the Sponsor after taking into account demand for the Ordinary Shares and prevailing economic and market conditions and the pipeline.

The Offer for Subscription will remain open until 11.00 a.m. on 30 September 2021, the Intermediaries Offer will remain open until 3.00 p.m. on 30 September 2021 and the Placing will remain open until 5.00 p.m. on 30 September 2021. If the Issue is extended, the revised timetable will be notified through a Regulatory Information Service announcement.

The Issue is conditional, *inter alia*, on:

- (i) the Placing and Offer Agreement becoming wholly unconditional in respect of the Issue (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission;
- (ii) Admission having become effective on or before 8.00 a.m. on 5 October 2021 or such later time and/or date as the Company, Peel Hunt and the Sponsor may agree (being not later than 8.00 a.m. on 31 December 2021); and

- (iii) the Minimum Net Proceeds being raised (or such lesser amount as the Company and Peel Hunt may determine and provided that the Company notifies such figure to investors through a Regulatory Information Service announcement and publishes a supplementary prospectus which includes a working capital statement based on a revised minimum net proceeds figure).

If the Minimum Net Proceeds are not raised, the Issue may only proceed where a supplementary prospectus (which includes a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the FCA.

If the conditions to the Issue are not satisfied, the Issue will not proceed and any applications made in respect of the Issue will be rejected. In such circumstances, application monies will be returned (at the applicants' sole risk) without payment of interest, as soon as practicable thereafter.

#### ***Details of admission to trading on a regulated market***

Applications will be made for the Ordinary Shares to be issued pursuant to the Issue to be admitted to listing on the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence at 8.00 a.m. on 5 October 2021.

#### ***Plan for distribution***

The Company is seeking to issue up to 250 million Ordinary Shares and is targeting Gross Issue Proceeds of up to £250 million by way of the Issue. If the overall demand exceeds this target, the Directors have reserved the right, with the consent of Peel Hunt and the Sponsor, to increase the size of the Issue to a maximum of 300 million Ordinary Shares. The Ordinary Shares will be made available for subscription by way of the Placing, the Offer for Subscription and the Intermediaries Offer.

The Company will notify investors of the number of Ordinary Shares to be issued pursuant to the Issue in respect of which their application has been successful. The results of the Issue will be announced by the Company through a Regulatory Information Service announcement. There will be no conditional dealings in the Ordinary Shares being issued pursuant to the Issue before Admission.

#### ***Dilution***

No dilution will result from the Issue. One Ordinary Share is held by Mr Marrack Tonkin (a director of the Investment Manager) for the purposes of incorporating the Company.

#### ***Expenses***

The costs and expenses of, and incidental to, the formation of the Company and the Issue which are to be met by the Company have been fixed by the Company at 2.0 per cent. of the Gross Issue Proceeds such that the NAV per Share at Admission will be 98 pence. Therefore, if Gross Issue Proceeds of £250 million are raised under the Issue, the Net Issue Proceeds will be £245 million.

The Company will not charge investors any separate costs or expenses in connection with the Issue.

All expenses incurred by any Intermediary pursuant to the Intermediaries Offer are for its own account. Prospective investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.

#### ***Subsequent resale of securities or final placement securities through financial intermediaries***

Investors may subscribe for Ordinary Shares at the Issue Price pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom, Jersey, Guernsey and the Isle of Man are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries which is appropriately licensed in the client's jurisdiction to be accepted as their client. The minimum application amount in the Intermediaries Offer is £1,000. The actual number of Ordinary Shares to be allocated to the Intermediaries will be determined by the Company (in consultation with Peel Hunt and the Sponsor). Each Intermediary has agreed, or will on appointment agree, to be bound by the Intermediaries Terms and Conditions which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms, and may provide for the payment of commission or fees to any Intermediary.

The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries in the United Kingdom, Jersey, Guernsey and the Isle of Man. The offer period within which any subsequent resale or final placement of securities by the Intermediaries can be made and for which consent to use this Prospectus is given, commences on 13 September 2021 and closes at 3.00 p.m. on 30 September 2021 unless closed prior to that time and/or date (any such earlier closure will be announced through a Regulatory

Information Service). Prospective investors interested in participating in the Intermediaries Offer should apply for Ordinary Shares through the Intermediaries by following their relevant application procedures. The Company and the Directors accept responsibility for the information contained in this Prospectus with respect to the subsequent resale or final placement of securities by any financial intermediary which was given consent to use this Prospectus.

**Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer at the time of such offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. Any application made by investors to any Intermediary is also subject to the terms and conditions imposed by such Intermediary.**

Peel Hunt has been engaged as an adviser to the Company in relation to the Intermediaries Offer (the "Intermediaries Offer Adviser") and will be responsible for liaising directly with potential financial intermediaries and processing applications made by intermediaries in relation to the Intermediaries Offer.

The Intermediaries authorised, as at the date of this Prospectus, to use this Prospectus are:

AJ Bell Securities Limited;

Canaccord Genuity Wealth Limited;

Equiniti Financial Services Limited;

iDealing.com Limited;

Interactive Investor Services Limited; and

Redmayne Nominees Limited.

Any new information with respect to intermediaries unknown at the time of approval of this Prospectus will be available on the Company's website at [www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk).

## **Why is this Prospectus being produced?**

### ***Reasons for the Issue and Admission***

The Issue is intended to raise money for investment in accordance with the Company's investment objective and investment policy. The Directors intend to use the Net Issue Proceeds, after providing for the Company's operational expenses, to purchase investments in line with the Company's investment objective and investment policy.

### ***Estimated net proceeds***

The Company is targeting an issue of up to 250 million Ordinary Shares pursuant to the Issue. The Net Issue Proceeds are dependent on the level of subscriptions received. Assuming Gross Issue Proceeds of £250 million are raised, the Net Issue Proceeds will be £245 million. On the basis that the Minimum Gross Proceeds are raised pursuant to the Issue, the Net Issue Proceeds will be £98 million.

### ***Underwriting***

The Issue is not underwritten.

### ***Conflicts of interest***

The Investment Manager, Property Manager, Social Income Adviser and their officers, employees and consultants may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager, Property Manager and/or Social Income Adviser may provide investment management services, investment advice, property management services or other services in relation to a number of funds that may have similar investment policies to that of the Company. The Investment Manager will have regard to its obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients or funds, should potential conflicts of interest arise. The Property Manager and the Social Income Adviser will have regard to their obligations under their delegation agreement and the Social Income Advisory Agreement and take all reasonable steps to avoid conflicts of interest.



## **RISK FACTORS**

An investment in the Company should not be regarded as short-term in nature and involves risks that could lead to the loss of all or part of that investment. An investment in the Company is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment. The Ordinary Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in Ordinary Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment. Prospective investors should consider carefully all of the information set out in this Prospectus, including the risks described below, as well as their own personal circumstances, before deciding to invest in the Company.

The risk factors referred to below are the risks which are considered by the Investment Manager and the Directors to be material as at the date of this document but are not the only risks relating to the Company or the Ordinary Shares. Additional risks and uncertainties relating to the Company or the Ordinary Shares that are not currently known to the Investment Manager or the Directors or that the Investment Manager or the Directors do not currently consider to be material may also have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Value and/or the market price of the Ordinary Shares. Further, as required by the UK Prospectus Regulation, the risks that the Investment Manager and the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, have been set out first. Given the forward-looking nature of the risks, there can be no guarantee that such risk is, in fact, the most material or the most likely to occur. Prospective investors should, therefore, review and consider each risk.

Prospective investors should note that the risks relating to the Company, its investment strategy and operations and the Ordinary Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Investment Manager and Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of the document headed "Summary" but also, among other things, the risks and uncertainties described below.

Potential investors should review this Prospectus carefully and in its entirety and consult with their stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser before acquiring any Ordinary Shares.

### **RISKS RELATING TO THE COMPANY AND OPERATIONS**

**The Company's lack of operating history means investors have no basis on which to evaluate the Company's ability to achieve its investment objective or implement its investment strategy and provide a satisfactory return**

The Company is a newly formed company with no operating results, financial statements or current investments. It will not commence operations until it has obtained funding through the Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective or implement its investment strategy and provide a satisfactory return. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence.

**The Company will be reliant upon the provision of services by third party service providers in order to carry on its business, and a failure by one or more service providers could materially disrupt the business of the Company or impact detrimentally on its investment performance**

The Company will be reliant upon the provision of services by third party service providers in order to carry on its business, and a failure by one or more service providers could materially disrupt the business of the Company or impact detrimentally on its investment performance.

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for the performance of certain functions. In particular, the Investment Manager, the Property Manager, the Depositary and the Registrar will each be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, with the applicable duty of care and skill, or at all, or any termination of any such appointment, could have a materially detrimental impact on the operation of the Company and on the Company's Net Asset Value, revenues and returns to Shareholders and therefore could affect the ability of the Company to meet its investment objective.

In the event that it is necessary for the Company or the Investment Manager to replace any third party service provider, it may be that the transition process takes time, increases costs and may adversely affect the Company's operations and/or the Company's investments, performance and returns to Shareholders.

**Currency fluctuations between the investor's currency of reference (if not Sterling) and the base currency of the Company may adversely affect the value of an investment in the Company**

If an investor's currency of reference is not Sterling, currency fluctuations between the investor's currency of reference and the base currency of the Company may adversely affect the value of an investment in the Company.

**Under the Articles, the Board is obliged to propose an ordinary resolution that the Company continues its business as a REIT at the annual general meeting of the Company held in 2027 and even if any such continuation vote is not passed, there is no guarantee that Shareholders would be able to realise their investment in the Company in full**

Under the Articles, the Board is obliged to propose an ordinary resolution that the Company continues its business as a REIT at the annual general meeting of the Company held in 2027 and at every fifth annual general meeting thereafter. If any such continuation vote is not passed, the Directors shall be obliged to propose a special resolution to approve the reconstruction or winding up of the company with an option for Shareholders to realise their investment in the Company in full. Even if any such continuation vote is not passed, there is no guarantee that Shareholders would pass the subsequent special resolution or that Shareholders would be able to realise their investment in the Company in full.

## **RISKS RELATING TO THE COMPANY'S INVESTMENT STRATEGY**

**The Company may not achieve its investment objective and investors may not get back the full value of their investment**

Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met. The Company's returns to Shareholders will depend on many factors, including the value and performance of its investments and the Company's ability to execute successfully its investment strategy. The value and performance of the Company's investments will be affected by a broad range of factors which are described in more detail below and there can be no assurance that the Company's investment strategy will be successful or that the Company will be able to generate investment returns or avoid investment losses. Any failure by the Company to achieve its investment objective may adversely affect its operations and returns to Shareholders.

**The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with its targets. The existence of the target dividend and target total NAV return should not be considered as an assurance or guarantee that it can or will be met by the Company**

The Company's target dividend and target total NAV return set out in this Prospectus are targets only (and, for the avoidance of doubt, are not a profit forecast). There can be no assurance that the Company will meet these targets, or any other level of return, or that the Company will achieve or successfully implement its investment objective. The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with its targets. The existence of the target dividend and target total NAV return should not be considered as an assurance or guarantee that they can or will be met by the Company.

Although the target dividend and target total NAV return figures are presented as specific figures in this Prospectus, the actual returns achieved by the Company's investment portfolio may vary from the target dividend and target total NAV return and these variations may be material. The target dividend and total NAV return figures are based on the Investment Manager's assessment of appropriate expectations for returns on the investments that the Company proposes to make and the ability of the Investment Manager to enhance the return generated by those investments through project and asset management and based on assumptions including those relating to forecasts of increases in inflation, rental values and property values. There can be no assurance that these assessments, expectations and assumptions are correct and failure to achieve any or all of them may materially adversely impact the Company's ability to achieve the target dividend and/or target total NAV return.

In addition, numerous factors, including, without limitation, taxation and fees payable by the Company, could prevent the Company from achieving its target dividend or target total NAV return, even if the individual investments made by the Company were to achieve returns in line with the Company's stated targets.

The target dividend and target total NAV return figures are based on estimates and assumptions about a variety of factors including, without limitation, purchase prices and SDLT payable on the acquisition of assets, yield and performance of the Company's investments. There can be no assurance that these assumptions will prove to be correct and such assumptions and estimates are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve its target returns. Furthermore, the target dividends and target total NAV return figures are based on the general and local market conditions and the economic environment at the time of assessing the targets, and are therefore subject to change. In particular, the Company's stated target dividend and target total NAV return assumes no material changes will occur in government regulations or other policies, or in law and taxation, or changes in the political approach to real estate investment or to the laws governing Supported Housing or sectors aligned with Supported Housing, and that the Company is not affected by natural disasters, pandemics, terrorism, social unrest or civil disturbances or the occurrence of risks described elsewhere in this Prospectus. There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this Prospectus. Accordingly, the actual rate of return achieved may be materially lower than that targeted, or may result in a partial or total loss, which could have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares.

**Any delays in deployment of the Net Issue Proceeds and/or the deployment of proceeds from borrowings may have an impact on the Company's results of operations, cash flows and the ability of the Company to pay dividends to Shareholders and to achieve the stated target dividend and target total NAV return referred to in this Prospectus and therefore to achieve its return objective**

The Company has not entered into legally binding acquisition arrangements in relation to the acquisition of properties from any potential vendors. Although the Company, acting on advice from the Property Manager, has identified a number of available properties that are consistent with its investment objective and investment policy there can be no certainty that the Company will be able to acquire these or other properties on acceptable terms or at all. There can therefore be no assurance as to how long it will take the Company to invest the Net Issue Proceeds.

Once substantially invested, the Company will also seek to utilise borrowings targeting a conservative level of aggregate borrowings equal to approximately 25 to 30 per cent. of the Gross Asset Value of the Company at the time of drawdown as per the Company's borrowing policy. There can be no assurance as to whether the Company will successfully obtain such borrowings and how long it will take the Company to invest the net proceeds from borrowings.

Even where the Property Manager, and where appropriate, the Board, has identified and approved the acquisition of a property in line with the Company's investment objective and investment policy, there could be a number of delays before the property is finally acquired. These delays may arise as a result of, *inter alia*, conducting full and proper due diligence on the new property and any tenant(s), negotiating acceptable purchase contracts, competition from other potential buyers, proceeding to completion of the acquisition and obtaining any necessary approvals, consents and/or permits. Necessary approvals may be refused, or granted only on onerous terms, and any such refusals, or the imposition of onerous terms, may result in an investment not proceeding as originally intended and could result in significant costs associated with aborting the transaction being incurred by the Company.

In addition, the Company will also face competition from other property investors in identifying and acquiring suitable properties. Competitors may have greater financial resources than the Company and a greater ability to borrow funds to acquire properties and may have the ability or inclination to acquire real estate assets at higher prices or on less favourable terms than those the Company may be prepared to accept. Competition in the property market may also lead either to an oversupply of properties in the target market through over development or the price of existing properties being driven up through competing bids by potential purchasers.

Any delays in deployment of the Net Issue Proceeds and/or the deployment of proceeds from borrowings may have an impact on the Company's results of operations, cash flows and the ability of the Company to pay dividends to Shareholders and to achieve the stated target dividend and target total NAV return referred to in this Prospectus and therefore to achieve its return objective. Pending deployment of the Net Issue Proceeds, the Company intends to invest material levels of cash in cash deposits, money market deposits, and cash equivalents, including liquidity funds, for cash management purposes. Interim cash management is likely to yield materially lower returns than the targeted returns from investments.

**A failure to identify all risks and liabilities as part of due diligence on any property acquisition may have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares and the Company may be affected by or exposed to risks against which it has insufficient or no protection or available remedies which may also have a material adverse effect on the Company's financial condition, business, prospects and results of operations**

Prior to the Company entering into an agreement to acquire a property, the Property Manager, on behalf of the Company, will perform significant due diligence and analysis on the property concerned. In doing so, it would also instruct third parties to support the due diligence analysis (including legal reports on title and technical building surveys). However, there can be no assurance that any due diligence examinations carried out by third parties on behalf of the Company in connection with any assets the Company may acquire will reveal all of the risks associated with that asset, or the full extent of such risks. To the extent that such third parties underestimate or fail to identify risks and liabilities (including any environmental liabilities) associated with the property in question, the Company may be affected by defects in title, or exposed to environmental, structural or operational defects or liabilities requiring remediation, which may not be covered by indemnities or insurance, or may be unable to obtain necessary permits or permissions which may have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares.

A failure to identify all risks and liabilities as part of due diligence may also result in properties that are acquired failing to perform in accordance with relevant projections which may have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares.

Even where the Property Manager has been able to identify relevant risks and liabilities associated with a potential acquisition through its due diligence process, the contractual protections in the acquisition documentation may not be sufficient to protect the Company from such risks and liabilities. As a consequence, the Company may be affected by or exposed to risks against which it has insufficient or no protection or available remedies which may have a material adverse effect on the Company's financial condition, business, prospects and results of operations.



**Investor returns will be dependent upon the performance of the Company's portfolio and the Company may experience fluctuations in its operating results as a result of risks inherent in real estate asset investment**

Returns achieved are reliant primarily upon the performance of the Company's portfolio. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in the Ordinary Shares. Revenues earned from, and the capital value and disposal value of, real estate assets held by the Company and the Company's business may be materially adversely affected by a number of factors inherent in investment in real estate assets. The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of properties in the Company's portfolio from time to time, changes in its rental income, operating expenses, occupancy rates, the degree to which it encounters competition and general economic and market conditions. Further, there may be increases in operating and other expenses or cash needs without a corresponding increase in turnover or tenant reimbursements, including as a result of increases in the rate of inflation in excess of rental growth, property taxes or statutory charges or insurance premiums, costs associated with tenant vacancies and unforeseen capital expenditure affecting properties which cannot be recovered from tenants.

Such variability in its operating results may be reflected in dividends, may lead to volatility in the market price of the Ordinary Shares and may cause the Company's results for a particular period not to be indicative of its performance in a future period. In addition, if the Company's revenues earned from tenants or the value of its real estate assets are adversely impacted by the above or other factors, the Company's financial condition, business, prospects and results of operations may be materially adversely affected.

**Availability of borrowings and the gearing effect of borrowing can work against, as well as for, Shareholders**

The Company intends to secure borrowing facilities in the future to pursue the Company's investment objective. It is not certain that such facilities will be available on acceptable terms or at all. Any amounts that are secured under a bank facility are likely to rank ahead of Shareholders' entitlements and accordingly, should returns derived from the Company's investments not be sufficient to cover the costs and liabilities of such borrowings, on a liquidation of the Company, Shareholders may not recover their initial investment and in certain circumstances may lose their entire investment.

Whilst the use of borrowings should enhance the NAV per Share where the returns on the Company's investments exceed the cost of borrowing, it will have the opposite effect where the return on the Company's investments is lower than the cost of borrowing. In addition, in the event that rental income from the Company's investments falls (for example as a result of defaults by tenants) the use of borrowings will increase the impact of such falls on the net revenue of the Company and this in turn will have an adverse effect on the Company's ability to pay dividends.

The Company will pay interest on its borrowings. As such, the Company may be exposed to interest rate risk due to fluctuations in the prevailing market rates.

**All of the Company's assets will, once the Company is fully invested, be invested in UK property and within a single sector: Supported Housing. Consequently, any downturn in the UK and its economy, or regulatory changes in the UK (in relation to Supported Housing legislation or policy or otherwise), could have a material adverse effect on the Company's results of operations or financial condition**

Although the Company will seek to build a portfolio diversified by sub-sector and tenant, all of the Company's assets will, once the Company is fully invested, be invested in UK property and within a single sector: Supported Housing. Consequently, any downturn in the UK and its economy, or regulatory changes in the UK (in relation to Supported Housing legislation or policy or otherwise), could have a material adverse effect on the Company's results of operations or financial condition. Investing exclusively in a single sector and single asset class may lead to greater volatility in the value of the Company's investments and the NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.

**The Company may seek to mitigate interest rate risk using derivative instruments and there is no guarantee such risks will be successfully hedged**

The Company may seek to mitigate interest rate risk using derivative instruments. However, there can be no assurances or guarantees that the Company will successfully hedge against such risks or that adequate hedging arrangements will be available on an economically viable basis. Hedging arrangements may result in additional costs being incurred or losses being greater than if hedging had not been used.

**Where prospective property acquisitions do not proceed to completion, due diligence costs will still need to be paid by the Company and this could adversely affect the Company's business, financial condition, results of operations and prospects**

The Property Manager will review potential investment opportunities *via* a preliminary screening process. If it is found that a potential investment satisfies initial analysis, a more comprehensive due-diligence exercise will be conducted. The Property Manager will appoint third party advisors to support with its due diligence and as a result the Company is typically expected to incur costs relating to professional services during the sourcing phase in respect of potential acquisitions. This is likely to include, *inter alia*, property conveyancing fees, technical building survey costs and legal fees. Where prospective acquisitions do not proceed to completion, these costs will still need to be paid by the Company and this could adversely affect the Company's business, financial condition, results of operations and prospects.

**The Company will be exposed to counterparty risk in connection with refurbishments and/or maintenance of properties which may result in liability for the Company and/or disputes with third parties, which could have a material adverse effect on the Company's financial position, results of operation and business prospects**

The Property Manager (on behalf of the Company) anticipates engaging third party contractors to conduct refurbishments, or maintenance works for properties owned by the Company. While typically cost overruns will be the contractual responsibility of the developer/contractor, such projects are nonetheless subject to various hazards and risks associated with the refurbishment of real estate, including personal injury and property damage, delays in the timely completion of projects and properties being available for occupancy, fraud or misconduct by an officer, employee or agent of a third party contractor, liability of the Company for the actions of the third party contractors or insolvency of third party contractors.

In addition, there is a risk of disputes with developers and/or contractors should they fail to perform against contractual obligations. Whilst the Company intends to mitigate this risk by holding a retention of funds until the project is signed-off by the Investment Manager or an appropriate, impartial third party surveyor, any litigation or arbitration resulting from any such disputes may increase the Company's expenses and distract the Board and the Investment Manager from focusing their time on pursuing the investment objective of the Company. This could have a material adverse effect on the Company's financial position, results of operation and business prospects.

**None of the pipeline investment opportunities referred to in this Prospectus have been contracted to be acquired by the Company and there are no contractually binding commitments or agreements to acquire any of these pipeline assets**

None of the pipeline investment opportunities referred to in this Prospectus have been contracted to be acquired by the Company and there are no contractually binding commitments or agreements to acquire any of these pipeline assets.

There can be no assurance that any of the pipeline assets referred to in this Prospectus will remain available for purchase after Admission, or, if available, at what price any such investments can be acquired by the Company (if a price can be agreed at all).

The making of any investment will be conditional upon, amongst other things, receipt of all necessary consents, approvals, authorisations and permits, the Property Manager deciding to proceed with the acquisition, the Company being able to finance its commitment to a particular investment, satisfactory completion of due diligence and the entering into of binding agreements in a form satisfactory to all the parties thereto.

**The Company may not always be able, for structural or commercial reasons, to acquire 100 per cent. of any SPVs through which it indirectly acquires assets and minority holdings in acquired assets may hamper the Company's ability to control such assets and may also reduce the future returns to the Company**

The Company may not always be able, for structural or commercial reasons, to acquire 100 per cent. of any SPVs through which it indirectly acquires assets. Although it does not typically intend to acquire stakes in SPVs or joint ventures that would not give it effective control of the acquired asset it may do so in the future and minority holdings in acquired assets may hamper the Company's ability to control such assets and may also reduce the future returns to the Company.

**The outbreak of Covid-19 has resulted in authorities, including those in the UK, implementing numerous measures to try to contain the virus, such as travel bans and restrictions, lockdowns, quarantines and shutdowns of business and workplaces, and has led to materially increased volatility in financial markets and significant worsening of the global macroeconomic outlook. The extent and scope of such restrictions is highly uncertain and subject to change and potential future lockdown measures, such as preventing specialised care providers from interacting effectively with the individuals that make use of the Supported Housing Sector and preventing effective and/or timeous completion of refurbishment or development projects, could have a material adverse effect on the Company's business, results of operations, financial condition or prospects**

A novel strain of coronavirus causing Covid-19 disease, identified in China in late 2019, has spread throughout the world. On 11 March 2020, the World Health Organization confirmed that its spread and severity had escalated to the point of pandemic. The outbreak of Covid-19 has resulted in authorities, including those in the UK, implementing numerous measures to try to contain the virus, such as travel bans and restrictions, lockdowns, quarantines and shutdowns of business and workplaces, and has led to materially increased volatility in financial markets and significant worsening of the global macroeconomic outlook. The extent and scope of such restrictions is highly uncertain and subject to change.

The degree to which Covid-19 impacts the Company's business, results of operations and financial position will depend on future developments, which are uncertain and cannot be predicted. These developments may include, but are not limited to, the duration and spread of Covid-19, its severity, actions taken to contain the virus or treat its impact, including the effectiveness and rate of deployment of vaccines, the extent and effectiveness of economic stimulus and the speed at which and to what extent normal economic and business activity can resume. Potential future lockdown measures, such as preventing specialised care providers from interacting effectively with the individuals that make use of the Supported Housing Sector and preventing effective and/or timeous completion of refurbishment or development projects, could disrupt the Company's operations and business. If any of the foregoing were to occur, there could be a material adverse effect on the Company's business, results of operations, financial condition or prospects.

## **RISKS RELATING TO THE INVESTMENT MANAGER AND PROPERTY MANAGER**

**The Company depends on the diligence, skill, judgement and business contacts of the Investment Manager's and Property Manager's investment professionals and the information and deal flow they generate and communicate to the Company during the normal course of their activities. A failure of the Investment Manager, Property Manager or BMO group to retain or recruit appropriately qualified personnel, the departure of a key employee, or a change of control of the Investment Manager, Property Manager or BMO group, may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares**

The Company depends on the diligence, skill, judgement and business contacts of the Investment Manager's and Property Manager's investment professionals and the information and deal flow they generate and communicate to the Company during the normal course of their activities. The Company's future success depends on the continued service of these individuals (or their replacements from time to time) who are not obligated to remain employed with, or consultants or assignees of, the Investment Manager, Property Manager or BMO group, and the Investment Manager's, Property Manager's or BMO group's ability to recruit and retain personnel. A failure of the Investment Manager, Property Manager or

BMO group to retain or recruit appropriately qualified personnel, the departure of a key employee, or a change of control of the Investment Manager, Property Manager or BMO group, may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

In addition, under the terms of the Management Agreement, the agreement may be terminated by the Investment Manager by giving not less than six months' notice to the Company, such notice not to expire before the third anniversary of Admission. The Directors would, in these circumstances, have to find a replacement AIFM and/or investment manager for the Company and there can be no assurance that a replacement with the necessary skills and experience would be available and/or could be appointed on terms acceptable to the Company. In this event, the Board may have to formulate and put forward to Shareholders proposals for the future of the Company which may include its merger with another investment company, reconstruction or winding up. While the Directors would seek to mitigate the effects of such a course of action, it may not be possible to avoid this having a material adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its NAV, and/or the market value of the Ordinary Shares.

The past performance of other investments managed or advised by the Investment Manager, Property Manager or Social Income Adviser, or any individuals employed or engaged by any of them, cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy.

**The Investment Manager, the Property Manager and the Social Income Adviser and their respective officers, employees and consultants are involved in other activities which may on occasion give rise to conflicts of interest with the Company and if these conflicts of interest are managed to the detriment of the Company, they could have a material adverse effect on the Company's Net Asset Value and the price of the Ordinary Shares**

The Investment Manager, the Property Manager and the Social Income Adviser and their respective officers, employees and consultants are involved in other activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager, the Property Manager and the Social Income Adviser and their respective officers, employees and consultants may from time to time act for other clients or manage or advise other funds, which may have similar investment objectives and policies to that of the Company. In accordance with the Management Agreement, in the event of a conflict between the Company and the Investment Manager or its delegates, the Investment Manager is obliged to take reasonable steps to ensure that the conflict is resolved fairly, in accordance (so far as applicable in the circumstances) with applicable FCA rules. If these conflicts of interest are managed to the detriment of the Company by the Investment Manager, they could have a material adverse effect on the Company's Net Asset Value and the price of the Ordinary Shares.

## **RISKS RELATING TO REAL ESTATE INVESTMENTS**

**The Company's performance may be adversely impacted by a downturn in conditions of the UK real estate market**

As all of the Company's assets will be invested in UK property, the Company's performance will be subject to, among other things, the conditions of the property markets in the UK, which will affect both the value of any assets that the Company acquires and the income these assets produce.

The value of assets and the income produced will be impacted by the general macroeconomic climate and the conditions of the real estate property market in the UK. Declines in the performance of the economy or the property market could have a negative impact on the Company's financial condition, business, prospects and results of operations.

In addition to the impact from the general economic climate, the property markets and prevailing rental rates in the UK may also be affected by factors such as an excess supply of properties, a fall in the general demand for rental property, reductions in tenants' and potential tenants' space requirements, the availability of credit and changes in laws and governmental regulations and policy, including those governing Supported Housing and aligned sectors, real estate usage, zoning and taxes, all of which are outside of the Company's control. Any of the foregoing could have a material adverse effect on the ability of the Company to achieve its investment objective, on the NAV and on the market price of the Offer Shares.



These factors, including any property market recession or future deterioration in the property market could, *inter alia*: (i) make it harder for the Company to locate new tenants for its properties, (ii) lead to a lack of finance available to the Company; (iii) cause the Company to realise its investments at lower valuations than commercially desirable; and (iv) delay the timings of the Company's realisations. A decline in value of the Company's properties may also weaken the Company's ability to obtain financing for new investments. Any of the foregoing could have a material adverse effect on the ability of the Company to achieve its investment objective, on the NAV and on the market price of the Ordinary Shares.

**Property valuation is inherently subjective and uncertain and to the extent valuations of the Company's properties do not fully reflect the value of the underlying properties, this may have a material adverse effect on the Company's financial condition, business, prospects and results of operations**

Property is inherently difficult to value due to the individual nature of each property. Furthermore, property valuation is inherently subjective. As a result, valuations are subject to uncertainty and there can be no assurance that the estimates resulting from the valuation process will reflect actual sales prices that could be realised by the Company in the future. The Investment Manager will rely on the independent valuation of the Company's properties in calculating the Company's NAV.

In determining the value of properties, valuers are required to make assumptions in respect of matters including, but not limited to, the existence of willing buyers in uncertain market conditions, title, condition of structure and services, environmental matters, statutory requirements, expected future rental revenues from the property and other information. Such assumptions may prove to be inaccurate. Incorrect assumptions underlying the valuation reports could negatively affect the value of any property assets the Company acquires and thereby have a material adverse effect on the Company's financial condition. This is particularly so in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked. There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

Property investments can perform in a cyclical nature and values can increase or decrease. Economic, political, fiscal and legal issues can affect values as they can with any other investment. The Company's portfolio will be valued on each valuation date by a professional independent valuer as may be appointed by the Company from time to time.

To the extent valuations of the Company's properties do not fully reflect the value of the underlying properties, whether due to the above factors or otherwise, this may have a material adverse effect on the Company's financial condition, business, prospects and results of operations. It may also adversely affect the ability of the Company to secure financing on acceptable terms.

**The Company may be adversely affected by changes to UK legislation relating to fire safety**

Whilst the Investment Manager will endeavour to ensure that appropriate due diligence is undertaken on potential investment opportunities to identify all material issues and ensure that the Company will comply with all applicable fire regulations, the Investment Manager may rely on reports from third-party surveyors and other advisors. Consequently, there can be no assurance that such third party advice will address all applicable fire safety concerns or risks.

Further, there can be no certainty that current guidance and/or legislation with respect to fire safety will remain unchanged in the future. As a result, there can be no guarantee that the Company's investments will continue to be fully compliant with all applicable regulation with respect to fire safety for the foreseeable future, in which case the Company may be required to incur remedial costs. Incurring additional costs and obligations could have an adverse impact on the Company's results of operations, cash flows and the ability of the Company to pay dividends to Shareholders and to achieve its stated target dividend and target total NAV return and therefore to achieve its returns objective.

**The Company is expected to invest predominantly in residential property and may be subject to environmental related risks and the Company may also be adversely affected by changes to UK regulation relating to environmental standards**

As the owner of real property, the Company will be subject to environmental regulations that can impose liability for cleaning up contaminated land, watercourses or groundwater on the person causing or knowingly permitting the contamination. If the Company acquires contaminated land, it could also be liable to third parties for harm caused to them or their property as a result of the contamination. If the Company is found to be in violation of environmental regulations, it could face reputational damage, regulatory compliance penalties, reduced letting income and reduced asset values, which could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

In addition, changes to any regulatory policies in relation to the environment could negatively affect the Company's assets. As the Company will operate in the Supported Housing sector and will rent out properties, the Company will be required to have a valid Energy Performance Certificate (EPC) registered to each property prior to letting the property to a tenant. Each property is assigned an EPC rating which must reflect a minimum standard to be rented. It is likely that minimum energy efficiency standards in the domestic sector will harden in the short to medium terms which may result in the Company incurring additional costs. Increasing EPC ratings could result in additional costs above and beyond what the Company expects which may impact the Company's ability to pay dividends to Shareholders and may impact the Company achieving its investment objective.

**The Company's investments will be illiquid and may be difficult or impossible to realise at a particular time**

The Company will invest predominantly in residential property. Such investments are relatively illiquid (in comparison to other types of investments, such as bonds and securities, which have daily liquidity). Such illiquidity may affect the Company's ability to adjust, dispose of or liquidate any or all of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, property market or other conditions.

There can be no assurance that, at the time the Company seeks to dispose of assets (whether voluntarily or otherwise), relevant market conditions will be favourable or that the Company will be able to maximise the returns on such disposed assets. To the extent that the property market conditions are not favourable, the Company may not be able to dispose of property assets at a gain and may even have to dispose of them at a loss. The Company may be forced to realise the disposal of an asset at a discount to the prevailing valuation of the relevant property, which may have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares.

**The Company may be adversely affected by significant changes in value of the investments which it owns**

All investments owned (directly or indirectly) by the Company will be valued on a quarterly basis in accordance with the Company's accounting policies and procedures. These valuations are presented to the Board for their approval and adoption. Property valuation is inherently subjective and can be uncertain. Acquisitions may expose the Company to unforeseen risks and liabilities associated with properties the Company acquires.

Valuations of the assets of the Company as a whole may also reflect accruals for expected or contingent liabilities, the amount or incidence of which is inevitably uncertain. A valuation is an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Company, and valuations do not necessarily represent the price at which an investment can be sold. Any changes in value may have an adverse effect on the ability of the Company to pursue its investment policy, and may adversely affect the Company's business, financial condition, results of operations, ability to maintain its dividend policy, net asset values and/or the market price of the Ordinary Shares. As such, the investment returns of the Company may be materially affected.

The Company may rely on large and detailed financial models to support valuations for asset acquisitions. There is a risk that errors may be made in the assumptions or methodology used in a financial model to complete these valuations. In such circumstances, the returns generated by any asset acquired by the Company may be different to those expected.

**The Company may be adversely affected by a rise in tenant default rates**

Dividends payable by the Company will be dependent on the income from the properties it owns. As with any real estate transaction there can be no guarantee that tenants will comply with their rental obligations. Failure by tenants to comply with their rental obligations could affect the ability of the Company to pay dividends to Shareholders.

**Forward funded projects and direct development projects undertaken by the Company possess potential risks associated with the construction and development of real estate, any of which could result in increased costs and/or damage to persons or property**

The investment policy provides that the Company may engage in renovating or customising existing homes, forward fund the development of new supported housing assets and undertake direct development activity and assume direct development risk.

Where cost overruns are the contractual responsibility of the developer/contractor, forward funded projects are nonetheless subject to various hazards and risks associated with the construction and development of real estate, including personal injury and property damage, delays in the timely completion of projects and properties being available for occupancy, fraud or misconduct by an officer, employee or agent of a third party contractor, liability of the Company for the actions of the third party contractors or insolvency of third party contractors.

To the extent that such risks are not assumed by the developer and/or contractor (e.g. where the Company undertakes direct development activity or in the event of insolvency of the developer or contractor), the occurrence of any of these events could result in increased operating costs, fines and legal fees and potentially in reputational damage or criminal prosecution of the Company and its Directors, the Investment Manager and the Property Manager, all of which could have an adverse effect on the Company's business, financial condition, results of operations, future prospects or the market price of the Ordinary Shares.

In addition, there is a risk of disputes with developers and/or contractors should they fail to perform against contractual obligations. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses and distract the Board, the Investment Manager and the Property Manager from focusing their time on pursuing the investment objective of the Company.

In the event that a developer and/or contractor needs to be replaced, whether due to expiry of an existing contract, insolvency, poor performance or any other reason, the Company will be required to appoint a replacement developer and/or contractor. There can be no assurance that the Company would be able to retain a new developer and/or contractor on acceptable terms or at all. Any such replacement developer and/or contractor may be more costly to the Company. If it takes a long time to find a suitable developer and/or contractor, it could potentially lead to delays, lower technical and operating performance or downtime for the relevant asset or cancellation of key contracts. This could have a material adverse effect on the Company's financial position, results of operation and business prospects.

**The Company's properties may suffer damage or loss which is not fully compensated by insurance**

The Company's property assets may suffer physical damage resulting in losses (including loss of rent) which may not be compensated for by insurance, either fully or at all. In addition, there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors might also result in insurance proceeds being insufficient to repair or replace a property. Should an uninsured loss or a loss in excess of insured limits occur, the Company may lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Company could be liable to repair damage caused by uninsured risks or pay for uninsured environmental clean-up costs. The Company might also remain liable for any debt or other financial obligations related to that property. Any material uninsured losses may have a material adverse effect on the Company's business prospects, results of operations and financial condition.

**The Company may be adversely affected by liability relating to property disposals**

The Company may be exposed to future liabilities and/or obligations with respect to the disposal of investments. The Company may be required to set aside money for warranty claims or contingent liabilities in respect of property disposals. The Company may be required to pay damages (including but not limited to litigation costs) to the extent that any representations or warranties that it has given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants contained in the disposal documentation. In certain circumstances, it is possible that any incorrect representations and warranties could give rise to a right by the purchaser to unwind the contract in addition to the payment of damages. Further, the Company may become involved in disputes or litigation in connection with such disposed investments.

Certain obligations and liabilities associated with the ownership of investments can also continue to exist notwithstanding any disposal, such as environmental liabilities. Any such claims, litigation or obligations, and any steps which the Company is required to take to meet the cost, such as sales of assets or increased borrowings, could have an adverse effect on the Company's performance, financial condition and business prospects.

**RISKS RELATING TO THE ORDINARY SHARES****The market price of an Ordinary Share may not fully reflect its underlying Net Asset Value and the investment portfolio. Prospective investors should note that the price of the Ordinary Shares may go down as well as up and that the share price can fall when the Net Asset Value per Share rises, or vice versa**

The price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The market prices of shares in listed investment companies fluctuate independently of their net asset value and can be at a discount or premium to the net asset value per share at different times, depending on supply and demand, market conditions, general investor sentiment, dividend yields, prevailing interest rates and other factors. Accordingly, the market price of an Ordinary Share may not fully reflect its underlying Net Asset Value and the investment portfolio. Prospective investors should note that the price of the Ordinary Shares may go down as well as up and that the share price can fall when the Net Asset Value per Share rises, or vice versa.

**It may be difficult for Shareholders to realise their investment and a liquid market in the Ordinary Shares may fail to develop**

The Company is a closed-ended company and, as such, Shareholders will have no right to have their Ordinary Shares redeemed or repurchased by the Company at any time.

While the Directors intend to retain the right to effect repurchases of Ordinary Shares in the manner described in this Prospectus, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors to so act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares in the market.

There is currently no market in the Ordinary Shares. Although the Ordinary Shares will be listed on the Official List and traded on the London Stock Exchange's main market for listed securities, there can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

In addition, the London Stock Exchange has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Ordinary Shares may affect the ability of Shareholders to realise their investment.

**The Company may in the future issue new equity, which may dilute Shareholders' equity**

The Company may seek to issue new equity in the future. While the Companies Act contains pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied in certain circumstances and have been disapplied in relation to the future issue of new Ordinary Shares up to an aggregate nominal amount representing up to 20 per cent. of the Ordinary Shares in issue immediately following Admission, pursuant to the authority set out in paragraph 2.3.4 of



Part 8 of this Prospectus. Where pre-emption rights are disapplied, any additional equity fundraising will be dilutive to the voting rights of those Shareholders who cannot, or choose not to, participate in such fundraising in their *pro rata* amount.

**Future sales of Ordinary Shares could cause the market price of the Ordinary Shares to fall**

Sales of Ordinary Shares or interests in the Ordinary Shares by significant investors could depress the market price of the Ordinary Shares. A substantial amount of Ordinary Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Ordinary Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

**RISKS RELATING TO REGULATION AND TAXATION**

**Changes in laws or regulations governing the Company's operations, including changes to Supported Housing legislation or legislation of aligned sectors, may adversely affect the Company's business**

There is a risk that the current government or future governments may take a different approach to Supported Housing and sectors aligned with Supported Housing and the level of government funding (including the level of 'exempt' housing benefit) made available to housing associations and other similar organisations. In particular, there could be changes to the law and other regulation or practices of the government with regard to Supported Housing and aligned sectors. Any such changes, including any reduction in the availability of Housing Benefit or any change in local government or housing association policy that ends or reduces the funding of rents for the Company's assets, may have an adverse effect on the ability of the Company to pursue its investment objective and policy, and may adversely affect the Company's business, financial condition, results of operations, ability to maintain its dividend policy, Net Asset Value and/or the market price of the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

Furthermore, the Company's properties must comply with laws and regulations which relate to, among other things, property, land use, development, zoning, health and safety requirements, environmental compliance, electrical safety certification and energy efficiency requirements. Laws and regulations are subject to change (which may be retrospective), and the Investment Manager is unable to predict the final outcome. Changes in regulations could adversely affect existing planning consent, costs of property ownership, the capital value of the Company's assets and the income arising from the Company's portfolio. Changes in laws and governmental regulations governing leases could determine the Company's approach to tenancy management which may impact the Company's ability to meet its investment objectives.

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies, including the Listing Rules, the UK Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, UK MAR, the UK AIFMD Laws, the EU AIFM Directive and the UK PRIIPs Laws. In addition, the Company is subject to the continuing obligations imposed by the Financial Conduct Authority on all investment companies whose shares are listed on the Official List.

Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and/or the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

**If the Company fails to qualify, or remain qualified, as a REIT, its rental income and gains will be subject to UK corporation tax**

The Company cannot guarantee that it will qualify, or remain qualified, as a REIT. If the Company fails to qualify or remain qualified as a REIT, the Company will be subject to UK corporation tax on some or all of its property rental income and chargeable gains on the sale of properties or property owning companies, which could reduce the amounts available to distribute to Shareholders and change the tax status of distributions received by investors.

The requirements for maintaining REIT status are complex. Minor breaches of certain conditions within the REIT Regime may result in additional tax being payable or, if remedied within a given period of time, may not be penalised, provided that the REIT Regime is not breached more than a certain number of times. A serious breach of the REIT Regime may lead to the Company ceasing to be a REIT. If the Company fails to meet the statutory requirements to maintain its status as a REIT, it may be subject to UK corporation tax on the profits of its Property Rental Business including any chargeable gains on the sale of some or all of its properties. This could reduce the reserves available to make distributions to Shareholders and the yield on the Ordinary Shares. In addition, incurring a UK corporation tax liability might require the Company to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Company's REIT status is withdrawn altogether because of a failure to meet one or more REIT conditions, disqualification from being a REIT may take effect from the end of the accounting period preceding that in which the failure occurred.

**A change in the tax status of the Company or a member of its corporate group or in taxation legislation in the UK could adversely affect the Company's profits and portfolio value and/or returns to and/or the tax treatment for Shareholders**

The levels of and reliefs from taxation may change, adversely affecting the financial prospects of the Company and/or the returns payable to and/or the tax treatment for Shareholders.

Investors should consult their tax advisers with respect to their particular tax situation and the tax effects of an investment in the Company. Statements in this Prospectus concerning the taxation of investors or prospective investors in Ordinary Shares are based upon current tax law and tax authority practice, each of which is potentially subject to change. The value of particular tax reliefs, if available, will depend on each individual Shareholder's circumstances. This Prospectus does not constitute tax advice and must not therefore be treated as a substitute for independent tax advice.

**Distribution requirements may limit the Company's flexibility in executing its acquisition plans**

To maintain REIT status and as a result obtain full exemption from UK corporation tax on the profits (and, where relevant, gains) of its Property Rental Business, the Company is required to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distributions. The Company would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that the Company distributes as Property Income Distributions less than the amount required to meet the 90 per cent. distribution test for each accounting period. A failure to meet the 90 per cent. distribution test could also change the tax status of distributions received by investors.

In addition, differences in timing between the receipt of cash and the recognition of income for the purposes of the REIT Regime and the effect of any potential debt amortisation payments could require the Company to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings.

As a result of these factors, the constraints of maintaining REIT status could limit the Company's flexibility to make investments.

**The Company's status as a REIT may restrict the Company's distribution opportunities to Shareholders**

A REIT may become subject to an additional tax charge if it makes a distribution to, or in respect of, a "Substantial Shareholder", that is broadly a company which has rights to at least 10 per cent. of the distributions or ordinary shares or controls at least 10 per cent. of the voting rights. This additional tax charge should not be incurred if the Company has taken reasonable steps to avoid paying distributions to a Substantial Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where distributions may become payable to a Substantial Shareholder. These provisions provide the Directors with powers to identify Substantial Shareholders and to prohibit the payment of dividends on Ordinary Shares that form part of a Substantial Shareholding unless certain conditions are met. The Articles also allow the Directors to require the disposal of Ordinary Shares forming part of a Substantial Shareholding in certain circumstances where the Substantial Shareholder has failed to comply with the above outlined provisions.

**There is uncertainty associated with the UK's exit from the European Union which could adversely affect the Company's business, financial condition and cash flows and could also negatively impact the value of the Company and make accurate valuations of the Ordinary Shares and investments more difficult**

The United Kingdom left the European Union on 31 January 2020 and the subsequent transition period ended on 31 December 2020. Although the United Kingdom and the European Union agreed a trading arrangement which took effect from 1 January 2021, there remains uncertainty with respect to the United Kingdom's trading relationship with the European Union and the political, economic, legal and social impact of such relationship going forward.

As the UK and the EU become accustomed to the new arrangements, there may be significant volatility and disruption in: (i) the global financial markets generally, which could result in a reduction of the availability of capital and debt; and/or (ii) the currency markets as the value of Sterling fluctuates against other currencies.

The nature of the United Kingdom's future relationship with the European Union may also impact and potentially require changes to the Company's regulatory position. With effect from 1 January 2021, historic EU legislation has largely been implemented into UK law, but it remains unclear as to how UK law will develop over time, including whether the UK will be required to adopt new EU legislation in the future for the purposes of proving equivalence and how UK law will diverge, if at all, from historic EU legislation. Accordingly, the impact on the Company of the United Kingdom's future relationship with the European Union and any resulting changes to the UK's legislative and regulatory framework is unclear.

Consequently, there will be a period of prolonged uncertainty regarding aspects of the UK economy including the possibility of a period of recession, together with other risks which could materially and adversely affect the legal, operational, regulatory and tax regime(s) to which the Company is currently subject. The effect of these risks could also be a reduction in the number of potential tenants for the Company to let its properties to and the creditworthiness of such tenants.

Any of these effects of Brexit (and others that the Directors cannot anticipate at this stage given the political and economic uncertainty following the UK's departure from the European Union) could adversely affect the Company's business, financial condition and cash flows. They could also negatively impact the value of the Company and make accurate valuations of the Ordinary Shares and investments more difficult.

## IMPORTANT INFORMATION

### GENERAL

This Prospectus should be read in its entirety. Prospective investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to the date of Admission. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Ordinary Shares other than those contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, Peel Hunt or the Sponsor, or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the UK Prospectus Regulation and UK MAR, neither the delivery of this Prospectus nor any subscription for or purchase of Ordinary Shares pursuant to the Issue, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for Ordinary Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Ordinary Shares.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto and Peel Hunt by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of Dickson Minto, Peel Hunt or any person affiliated with Dickson Minto or Peel Hunt accepts any responsibility whatsoever and makes no representation or warranty, express or implied, as to the contents of this Prospectus, including its accuracy or completeness, or for any other statement made or purported to be made by them, or on their behalf, the Company or any other person in connection with the Company, the Ordinary Shares, Admission or the Issue and nothing contained in this Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of Dickson Minto and Peel Hunt (and their respective affiliates) does not assume any responsibility for the accuracy, completeness or verification of this Prospectus or for any other statement made or purported to be made by them, or on their behalf, the Company or any other person in connection with the Company, the Ordinary Shares, Admission or the Issue and accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise be found to have in respect of this Prospectus or any such statement.

Peel Hunt and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and/or the Investment Manager and any of their respective affiliates for which they would have received customary fees. Peel Hunt and its affiliates may provide such services to the Company and/or the Investment Manager and any of their respective affiliates in the future.

In connection with the Issue, Peel Hunt and any of its affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Ordinary Shares and other securities of the Company or related investments in connection with the Issue or otherwise. Accordingly, references in this Prospectus to Ordinary Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Peel Hunt and any of its affiliates acting as an investor for its or their own account(s).



Neither Peel Hunt nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Peel Hunt may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Peel Hunt may from time to time acquire, hold or dispose of shareholdings in the Company.

An investment in the Ordinary Shares should constitute part of a diversified investment portfolio. The Ordinary Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. It should be remembered that the price of the Ordinary Shares and the income from them can go down as well as up. The Ordinary Shares are designed to be held over the long-term and may not be suitable as short-term investments.

This Prospectus should be read in its entirety before making any application for Ordinary Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus comes are required to inform themselves about and to observe such restrictions.

## **PROFILE OF A TYPICAL INVESTOR**

The Ordinary Shares are designed to be suitable for institutional investors and professionally-advised private investors. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio.

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 who are unsure whether to invest should consider consulting a financial adviser authorised under FSMA to assess whether an investment in the Company is suitable.

## **INTERMEDIARIES**

The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of the Ordinary Shares by financial intermediaries in the United Kingdom, Jersey, Guernsey and the Isle of Man. The Company consents to the use of this Prospectus by the Intermediaries in connection with the Intermediaries Offer in the United Kingdom, Jersey, Guernsey and the Isle of Man on the following terms: (i) in respect of Intermediaries who are appointed by the Company on or prior to the date of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and agree to adhere to and be bound by the Intermediaries Terms and Conditions, in each case until the closing of the Intermediaries Offer.

The offer period, within which any subsequent resale or final placement of securities by Intermediaries can be made and for which consent to use this Prospectus is given, commences on 13 September 2021 and closes at 3.00 p.m. on 30 September 2021, unless closed prior to that time and/or date (any such earlier closure to be announced through a Regulatory Information Service). Prospective investors interested in participating in the Intermediaries Offer should apply for Ordinary Shares through the Intermediaries by following their relevant application procedures. The Company and the Directors accept responsibility for the information contained in this Prospectus with respect to the subsequent resale or final placement of securities by any financial intermediary which was given consent to use this Prospectus.

**Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer at the time of the offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. Any application made by investors to any Intermediary is also subject to the terms and conditions imposed by such Intermediary. Any application made by investors to any Intermediary is also subject to the terms and conditions imposed by such Intermediary.**

Peel Hunt has been engaged as an adviser to the Company in relation to the Intermediaries Offer (the Intermediaries Offer Adviser) and will be responsible for liaising directly with potential financial intermediaries and processing applications made by intermediaries in relation to the Intermediaries Offer.

The Intermediaries authorised as at the date of this Prospectus to use this Prospectus are:

AJ Bell Securities Limited;  
Canaccord Genuity Wealth Limited;  
Equiniti Financial Services Limited;  
iDealing.com Limited;  
Interactive Investor Services Limited; and  
Redmayne Nominees Limited.

Further details of the Intermediaries Offer are set out in paragraph 5 of Part 6 of this Prospectus.

## **SELLING RESTRICTIONS**

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Ordinary Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Prospectus and the offering of Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for Ordinary Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.

Save for the United Kingdom and save as explicitly stated elsewhere in this Prospectus, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.

## **Notice to prospective investors in the United Kingdom**

No Ordinary Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the FCA, except that offers of Ordinary Shares to the public may be made at any time with the prior consent of Peel Hunt and the Sponsor, under the following exemptions under the UK Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in Regulation 2(e) of the UK Prospectus Regulation (as amended);
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation (as amended)) in the United Kingdom; or
- in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation (as amended) with the prior consent of Peel Hunt and the Sponsor,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3(l) of the UK Prospectus Regulation (as amended).

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Ordinary Shares in the United Kingdom means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for Ordinary Shares.

#### **Notice to prospective investors in Jersey**

The Placing, Offer for Subscription and Intermediaries Offer that are the subject of this Prospectus may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this offer and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.

#### **Notice to prospective investors in Guernsey**

The Placing, Offer for Subscription and Intermediaries Offer referred to in this Prospectus are available, and are and may be made, in or from within the Bailiwick of Guernsey, and this Prospectus is being provided in or from within the Bailiwick of Guernsey only:

- by persons licensed to do so by the Guernsey Financial Services Commission (the “**GFSC**”) under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended, extended or re-enacted) (the “**POI Law**”); or
- by non-Guernsey bodies who (a) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of certain designated countries or territories which, in the opinion of GFSC, afford adequate protection to investors and (b) meet the criteria specified in section 29(c) of the POI Law (or the equivalent provisions set out in any re-enactment of the POI Law); or
- to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended, extended or re-enacted), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended, extended or re-enacted), the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended, extended or re-enacted) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended, extended or re-enacted) by non-Guernsey bodies who (a) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of certain designated countries or territories which, in the opinion of the GFSC, afford adequate protection to investors and (b) meet the criteria specified in section 29(1)(cc) of the POI Law (or the equivalent provisions set out in any re-enactment of the POI Law); or
- as otherwise permitted by the GFSC.

The Placing, Offer for Subscription and Intermediaries Offer referred to in this Prospectus and this Prospectus are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs and must not be relied upon by any person unless made or received in accordance with such paragraphs.

#### **Notice to prospective investors in the Isle of Man**

The Ordinary Shares cannot be marketed, offered or sold in or to persons resident in the Isle of Man other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008, as amended, or any exclusion or exemption therefrom.

The Issue is available, and is and may be made, in or from within the Isle of Man and this Prospectus is being provided in or from within the Isle of Man only:

- (i) by persons licensed to do so under the Isle of Man Financial Services Act 2008; or
- (ii) in accordance with any relevant exclusion contained within the Regulated Activities Order 2011 (as amended) or exemption contained in the Financial Services (Exemptions) Regulations 2011 (as amended).

The Issue referred to in this Prospectus and this Prospectus are not available in or from within the Isle of Man other than in accordance with paragraphs (i) and (ii) above and must not be relied upon by any person unless made or received in accordance with such paragraphs.

This Prospectus has not been, and is not required to be, filed or lodged with any regulatory or other authority in the Isle of Man. The Company is not subject to any regulatory approval in the Isle of Man. Investors in the Company are not protected by any statutory compensation arrangements in the event of the Company's failure and the Isle of Man Financial Services Authority does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

#### **Notice to prospective investors in the EEA**

In relation to each EEA Member State, no Ordinary Shares have been offered or will be offered pursuant to the Issue to the public in that EEA Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that EEA Member State, or, where appropriate, approved in another EEA Member State and notified to the competent authority in that EEA Member State, all in accordance with the EU Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time with the prior consent of Peel Hunt and the Sponsor, under the following exemptions under the EU Prospectus Regulation, that are effective in that EEA Member State:

- to any legal entity which is a "qualified investor" as defined in Article 2(e) of the EU Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such EEA Member State; or
- in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation with the prior consent of Peel Hunt and the Sponsor,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3(1) of the EU Prospectus Regulation in a EEA Member State.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Ordinary Shares in any EEA Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for Ordinary Shares.

The AIFM, has made the notifications or applications and received, where relevant, approvals for the marketing of the Ordinary Shares to "professional investors" (as defined in the EU AIFM Directive) in the Republic of Ireland, Belgium, Luxembourg and The Netherlands. Notwithstanding any other statement in this Prospectus, this Prospectus should not be made available to any investor domiciled in any EEA Member State other than the Republic of Ireland, Belgium, Luxembourg and The Netherlands. Prospective investors domiciled in the EEA that have received the Prospectus in any EEA Member States other than the Republic of Ireland, Belgium, Luxembourg and The Netherlands should not subscribe for Ordinary Shares (and the Company reserves the right to reject any application so made, without explanation) unless: (i) the Company has confirmed that the Company has made the relevant notification or applications in that EEA Member State and are lawfully able to market Ordinary Shares into that EEA Member State; or (ii) such investors have received the Prospectus on the basis of an enquiry made at the investor's own initiative.

The Ordinary Shares may not be marketed to retail investors (as this term is defined in the EU AIFM Directive as transposed in the relevant EEA Member State) in any EEA Member State unless the



Ordinary Shares have been qualified for marketing to retail investors in that EEA Member State in accordance with applicable local laws. At the date of this Prospectus, the Ordinary Shares are not eligible to be marketed to retail investors in any EEA Member State. Accordingly, the Ordinary Shares may not be offered, sold or delivered and neither this document nor any other offering materials relating to such Ordinary Shares may be distributed or made available to retail investors in any EEA Member State.

#### **Notice to prospective investors in the Republic of Ireland**

Neither the Company nor any investment in the Company has been authorised by the Central Bank of Ireland. The Prospectus does not, and shall not be deemed to, constitute an invitation to the public in Ireland to purchase interests in the Company.

The Ordinary Shares have not been and will not be registered in the Republic of Ireland or passported for inward marketing to professional investors (as defined in Annex II of Directive 2014/65/EU) under the European Communities (Alternative Investment Fund Manager) Regulations 2013 (AIFM Regulations) or any applicable regulations or guidance issued thereunder by the Central Bank of Ireland. The Ordinary Shares may only be offered to professional investors on a private placement basis in accordance with the EU AIFM Directive. In respect of such private placement, the AIFM has provided notification to the Central Bank of Ireland and has received confirmation of its eligibility to market the Ordinary Shares under Article 42 of the EU AIFM Directive (as implemented into Irish Law), which provides for the marketing in Ireland without a passport of alternative investment funds managed by a non-EU AIFM.

The offer of Ordinary Shares in the Company shall not be made by any person in Ireland otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2017 (as amended) and in accordance with any codes, guidance or requirements imposed by the Central Bank of Ireland thereunder.

#### **Notice to prospective investors in Belgium**

The offering of the interests in the Company described in this Prospectus and any other offer material relating to the interests in the Company do not constitute a public offering in Belgium within the meaning of the Belgian law of 19 April 2014 on alternative investment funds and their managers (*Wet betreffende de alternatieve instellingen voor collectieve belegging en hun beheerders/Loi relative aux organismes de placement collectif alternatifs et a leurs gestionnaires*) (the “**AIFM Law**”).

The Company has not been and will not be registered with the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) (the “**Belgian FSMA**”) as a foreign public collective investment institution under article 259 of the AIFM Law. The offer of interests in the Company in Belgium has not been and will not be notified to, and this Prospectus has not been and will not be approved by, the Belgian FSMA. Accordingly, the offering, as well as any other materials relating to the offering may not be advertised, the interests may not be offered or sold, and this Prospectus or any other information circular, brochure or similar document may not be distributed, directly or indirectly, (i) to any person located and/or resident in Belgium other than a “qualified investor” within the meaning of the EU Prospectus Regulation or (ii) to any person qualifying as a consumer for the purposes of Book VI of the Belgian Code of economic law. This Prospectus has been issued to the intended recipient for personal use only and exclusively for the purpose of the offer. Therefore it may not be used for any other purpose, nor passed on to any other person in Belgium. Any resale of the Company’s interests in Belgium may only be made in accordance with the EU Prospectus Regulation, the Belgian Prospectus Act of 11 July 2018 and other applicable laws.

#### **Notice to prospective investors in Luxembourg**

The content of this Prospectus and any supplement thereto have not been verified by the Luxembourg supervisory authority (Commission de Surveillance du Secteur Financier, “**CSSF**”). This Prospectus and any supplement thereto have not been shared with the CSSF for any purpose other than the notifications required under article 45 of the Luxembourg AIFM Law (as defined below) and/or for the purpose of pre-marketing the Company in Luxembourg (to the extent relevant).

The Ordinary Shares in the Company may only be marketed or acquired within Luxembourg in accordance with the EU Directive 2011/61/EU on alternative investment fund managers, as amended and supplemented, as implemented in Luxembourg by the law of Luxembourg law of 12 July 2013 on

alternative investment fund managers (the “**Luxembourg AIFM Law**”), as well as any laws and regulations applicable in Luxembourg governing the issue, offering, marketing and sale of the Ordinary Shares.

The Ordinary Shares in the Company may be marketed in Luxembourg only to “professional investors” as defined in the Luxembourg AIFM Law.

The EU Prospectus Regulation contains various exemptions from the prospectus requirements arising under the prospectus regulation. To the extent the Company qualifies as a closed-ended company and the interests are solely offered to professional investors, this Prospectus has not been approved by the CSSF for the purposes of the EU Prospectus Regulation.

Ordinary Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in Luxembourg within the meaning of EU MiFID II, and therefore no key information document (KID) is required to be provided to investors in accordance with packaged retail and insurance-based investment products regulation (No 1286/2014) and the Commission Delegated Regulation (EU) 2017/653.

#### **Notice to prospective investors in the Netherlands**

The Company is an alternative investment fund (*alternatieve beleggingsinstelling*, **AIF**) within the meaning of the Dutch Act on the Financial Supervision (*Wet op het financieel toezicht*, the **AFS**). The AIFM has given written notification to the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, **AFM**), pursuant to Article 1:13b section 1 of the AFS, of its intention to market the Ordinary Shares exclusively to individuals or entities in the Netherlands that are qualified investors (*gekwalficeerde beleggers*) within the meaning of Article 1:1 of the AFS, all in accordance with the AFS, any rules and regulations promulgated pursuant thereto and the rules and guidance of the AFM.

#### **Notice to prospective investors in the United States**

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered or sold outside the United States in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S under the US Securities Act. Any sale of Ordinary Shares in the United States may only be made to persons reasonably believed to be “qualified institutional buyers” (as the term is defined in Rule 144A under the US Securities Act) in reliance on an exemption from registration provided by section 4(a)(2) under the US Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Ordinary Shares are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under applicable securities laws and regulations, including the U.S. Securities Act, and under the Articles. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions and may subject the holder to the forced transfer and other provisions set out in the Articles.

Unless otherwise expressly agreed with the Company, the Ordinary Shares may not be acquired by: (i) investors using assets of: (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in preceding clause (A) or (B) in such entity pursuant to the U.S. Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, unless its purchase, holding, and disposition of the Ordinary Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

### **Available Information**

For so long as the Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the US Securities Exchange Act of 1934, as amended, (the “**US Exchange Act**”) nor exempt from reporting under the US Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act.

### **Enforcement of Civil Liability**

The Company is organized as a public limited company incorporated under the laws of England and Wales. None of the Company’s directors or officers are citizens or residents of the United States. In addition, the majority of the Company’s and its directors’ and officers’ assets are located outside the United States. As a result, it may not be possible for US investors to effect service of process within the United States upon the Company or its directors and officers located outside the United States or to enforce in the US courts or outside the United States judgments obtained against them in US courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the US federal securities laws or the securities laws of any state or territory within the United States. There is doubt as to the enforceability in England and Wales, whether by original actions or by seeking to enforce judgments of US courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales.

### **Notice to investors in Canada, Japan, Australia or the Republic of South Africa**

The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of such territories.

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.

### **NMPI STATUS**

The Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013 (the “**NMPI Regulations**”) restrict the promotion of unregulated collective investment schemes and other “non-mainstream pooled investments” (or “**NMPIs**”) by FCA authorised persons (such as independent financial advisers). Financial advisers, including authorised independent financial advisers, are restricted from promoting NMPIs to retail investors who do not meet certain high net worth tests or who cannot be treated as sophisticated investors.

As the Company is a real estate investment trust, the Ordinary Shares will be “excluded securities” under the NMPI Regulations. Accordingly, the promotion of the Ordinary Shares is not subject to the FCA’s restriction on the promotion of NMPIs.

### **ELIGIBILITY FOR INVESTMENT BY UCITS OR NURS**

The Company has been advised that the Ordinary Shares should be “transferable securities” and, therefore, should be eligible for investment by UCITS or NURS on the basis that: (i) the Company is a closed-ended investment company incorporated in England and Wales as a public limited company; (ii) the Ordinary Shares are to be admitted to trading on the main market of the London Stock Exchange; and (iii) the AIFM is authorised and regulated by the FCA and, as such, is subject the rules of the FCA in the conduct of its investment business. The manager of a UCITS or NURS should, however, satisfy itself that the Ordinary Shares are eligible for investment by that fund, including a consideration of the factors relating to that UCITS or NURS itself, specified in the rules of the FCA.

### **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**Directive 2014/65/EU**”); (b) Articles 9 and

10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU; (c) local implementing measures; and and/or (d) (where applicable to UK investors or UK firms) the relevant provisions of the UK MiFID Laws (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares to be issued pursuant to the Issue are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties each as defined in Directive 2014/65/EU or the UK MiFID Laws (as applicable); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU or the UK MiFID Laws, as applicable (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU, or the UK MiFID Laws, as applicable; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

## **PRIIPS REGULATION**

In accordance with the UK PRIIPs Laws, the AIFM has prepared a key information document in respect of the Ordinary Shares (the “**KID**”). The PRIIPs Regulation requires the AIFM to ensure that the KID is made available to “retail investors” prior to them making an investment decision in respect of the Ordinary Shares and the KID is therefore available to investors at the Company’s website ([www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk)). Accordingly, if you are distributing Ordinary Shares, it is your responsibility to ensure the relevant KID is provided to any relevant clients.

The AIFM is the only manufacturer of the Ordinary Shares for the purposes of the UK PRIIPs Laws and none of the Company, the Property Manager nor Peel Hunt is a manufacturer for these purposes. None of the Company, the Property Manager nor Peel Hunt makes any representation, express or implied, or accepts any responsibility whatsoever for the contents of the KID prepared by the AIFM nor accepts any responsibility to update the contents of the KID in accordance with the UK PRIIPs Laws, to undertake any review processes in relation thereto or to provide such KID to future distributors of Ordinary Shares. Each of the Company, the Property Manager and Peel Hunt and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the KID or any other key information documents prepared by the AIFM from time to time. Prospective investors should note that the content of the key information document is highly prescriptive, both in terms of the calculations underlying the numbers and the narrative, with limited ability to add further context or explanation. As such, the key information document should be read in conjunction with other material produced by the Company, including this Prospectus and, in future, the annual reports which will be available on the Company’s website. The figures in the KID may not reflect actual returns for the Ordinary Shares and anticipated performance returns cannot be guaranteed.

## **DATA PROTECTION**

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual (“**personal data**”) will be held and processed by



the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with: (a) the relevant data protection legislation and regulatory requirements of the United Kingdom (the “**Data Protection Legislation**”); and (b) the Company’s privacy notice, a copy of which is available for consultation on the Company’s website at [www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk) (“**Privacy Notice**”) (and if applicable any other third party delegate’s privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar and/or Receiving Agent) in accordance with and for the purposes set out in the Company’s Privacy Notice which include:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere or any third party functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Company’s Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar and/or Receiving Agent) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of the UK and the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors provided that suitable safeguards are in place for the protection of such personal data, details of which are set out in the Privacy Notice or shall be otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar and/or Receiving Agent) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data, details of which are set out in the Privacy Notice or shall be otherwise notified from time to time.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Company’s Privacy Notice.

## **PRESENTATION OF FINANCIAL INFORMATION**

The Company is newly formed and as at the date of this Prospectus has not commenced operations and has no assets or liabilities which will be material in the context of the Issue and, therefore, no financial statements have been prepared as at the date of this Prospectus. All future financial information for the Company will be prepared under IFRS.

Certain financial and statistical information contained in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

## **MARKET AND INDUSTRY DATA**

Certain information in this Prospectus has been sourced from third parties. Where information in this Prospectus has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information.

All information contained in this Prospectus which has been sourced from third parties has been accurately reproduced and, as far as the Company or the Investment Manager is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

All references to market data, industry statistics and forecasts and other information in this Prospectus consist of estimates based on data and reports compiled by industry professionals, organisations, analysts, publicly available information or the Company's or the Investment Manager's own knowledge of their relevant markets.

Market data and statistics are inherently speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that: the markets may be defined differently; the underlying information may be gathered by different methods; and different assumptions may be applied in compiling the data. Accordingly, the market statistics included in this document should be viewed with caution.

## **CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this Prospectus to "£", "p", "pence" or "GBP" are to the lawful currency of the UK.

## **WEBSITES**

Without limitation, neither the contents of the Company's or the Investment Manager's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this Prospectus and any supplementary prospectus published by the Company prior to Admission alone.

## **TAX REPORTING, FATCA AND COMMON REPORTING STANDARDS ("CRS")**

Shareholders should furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or CRS. Shareholders may be subject to tax reporting under applicable laws. FATCA and CRS documentation and reporting obligations can also arise in respect of Shareholders where third parties hold shares or act on their behalf.

## **GOVERNING LAW**

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

## **FORWARD LOOKING STATEMENTS**

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". Forward-looking statements typically can be identified by the use of forward-looking terminology, including, but not limited to, terms such as "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Such forward-looking statements, which include all matters that are not historical facts, appear in a number of places in this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company, the Board or the Investment Manager concerning, amongst other things, the Company's target dividend yield and target total NAV return, the investment objective, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it invests and/or operates. By their nature, forward-looking statements involve

risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company and its financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company's ability to achieve its investment objective, target dividend yield and target total NAV return;
- the Company's ability to invest the Net Issue Proceeds on a timely basis within the parameters of the investment objective and investment policy;
- changes in interest rates, as well as the success of the Company's investment strategy in relation to such changes and the management of the uninvested proceeds of the Issue;
- impairments in the value of the Company's investments;
- the availability and cost of capital for future investments;
- the departure of key personnel employed by the Investment Manager or the Property Manager;
- the failure of the Investment Manager to perform its obligations under the Management Agreement or the termination of the Management Agreement;
- changes in the competitive landscape for the acquisition of investment assets;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company; and
- general economic trends and other external factors, including those resulting from natural disasters, pandemics, war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the section entitled "*Risk Factors*" of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially from those that the forward-looking statements may give the impression will be achieved, before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. Although the Company undertakes no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Regulation Rules, the Listing Rules, UK MAR, the EU AIFM Directive, the UK AIFMD Laws or the Disclosure Guidance and Transparency Rules), whether as a result of new information, future events, conditions or circumstances, any change in the Company's expectations with regard thereto or otherwise, Shareholders are advised to read any communications made directly to them by the Company and/or any additional disclosures in announcements that the Company may make through an Regulatory Information Service announcement.

Nothing in the preceding two paragraphs seeks to limit or qualify, in any way, the working capital statement in paragraph 7 of Part 8 of this Prospectus.

## **PERFORMANCE DATA**

The Company has no investment history. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Investment Manager, which market conditions may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

No representation is being made by the inclusion of the investment examples and strategies presented herein that the Company will achieve performance similar to the investment examples and strategies herein or avoid loss. There can be no assurance that the investment examples and strategies described herein will meet their objectives generally, or avoid losses. Past performance is no guarantee of future results.

## EXPECTED TIMETABLE

<i>Event</i>	<i>Date</i>
Placing, Offer for Subscription and Intermediaries Offer open	13 September 2021
Latest time and date for applications under the Intermediaries Offer	3.00 p.m. on 30 September 2021
Latest time and date for applications and payment in full under the Offer for Subscription	11.00 a.m. on 30 September 2021
Latest time and date for receipt of placing commitments under the Placing	5.00 p.m. on 30 September 2021
Publication of the results of the Issue	1 October 2021
Admission and commencement of dealings in the Ordinary Shares issued pursuant to the Issue	8.00 a.m. on 5 October 2021
CREST accounts credited and settlement of relevant CREST instructions received under the Issue	As soon as reasonably practicable on 5 October 2021
Where applicable, definitive share certificates despatched by post	Within 10 Business Days of Admission

### **Notes:**

1. The times and dates set out in the expected timetable above and mentioned throughout this Prospectus may be adjusted by the Company, in which event details of the new times and/or dates will be notified, as required, to the FCA and the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.
2. All references to times in this document are to London time, unless otherwise stated.
3. Underlying Applicants who apply to an Intermediary to acquire Ordinary Shares under the Intermediaries Offer will not receive share certificates in respect of any Ordinary Shares that are allocated to them under the Intermediaries Offer. Underlying Applicants should consult with their Intermediary as to when they will be sent documents in respect of any Ordinary Shares that are allocated to them and when they may commence dealing in those Ordinary Shares.



## ISSUE STATISTICS

Issue Price (per Ordinary Share)	100 pence
Target Gross Issue Proceeds*	£250 million
Estimated Net Issue Proceeds*	£245 million
NAV per Share on Admission	98 pence
Minimum Net Issue Proceeds	£98 million
Maximum number of Ordinary Shares available under the Issue	300 million

\* Assuming that 250 million Ordinary Shares are issued pursuant to the Issue. The number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds and the Net Issue Proceeds, are not known as at the date of this Prospectus but will be notified by the Company through a Regulatory Information Service announcement prior to Admission.

## DEALING CODES

ISIN	GB00BMYX1W70
SEDOL	BMYX1W7
Ticker Code	RHR
LEI	213800AUZ52FFDTHZ656

## DIRECTORS, MANAGEMENT AND OTHER ADVISERS

<b>Directors</b>	<p>Robin Minter-Kemp (<i>Chairman</i>)  Clive Bouch  Katie Gordon  Simon Prichard</p> <p><i>all non-executive and of the registered office below</i></p>
<b>Registered office</b>	Exchange House, 12 Primrose Street, London EC2A 2NY
<b>AIMF, Investment Manager and Company Secretary</b>	BMO Investment Business Limited 6th Floor, Quartermile 4 7a Nightingale Way Edinburgh EH3 9EG
<b>Property Manager</b>	BMO REP Property Management Limited 7 Seymour Street London W1H 7JW
<b>Sponsor and Solicitors to the Company as to English law</b>	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
<b>Legal Advisors to the Company as to U.S. law</b>	Tannenbaum Helpern Syracuse & Hirschtritt LLC 900 Third Avenue New York, New York 10022
<b>Sole Bookrunner and Intermediaries Offer Adviser</b>	Peel Hunt LLP 7th Floor, 100 Liverpool Street London EC2M 2AT
<b>Legal Advisors to the Sole Bookrunner as to U.S. law</b>	Proskauer Rose LLP 110 Bishopsgate London EC2N 4AY
<b>Legal Advisors to the Sole Bookrunner as to English Law</b>	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
<b>Registrar and Receiving Agent</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE
<b>Reporting Accountant and Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Tax Adviser</b>	Ernst & Young LLP 1 More London Place London SE1 2AF
<b>Independent Valuer</b>	Jones Lang LaSalle Limited 30 Warwick Street London W1B 5NH
<b>Depository</b>	JPMorgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP

## PART 1

### INVESTMENT HIGHLIGHTS

#### Responsible Housing REIT: delivering a sustainable Supported Housing investment model

The Responsible Housing REIT plc aims to deliver a consistent and sustainable income based return for investors. It seeks to do so by investing in a diversified portfolio of fit-for-purpose Supported Housing accommodation assets and aligned sectors across the UK and working with all key stakeholders across the sector including housing associations and Care Providers. Employing a differentiated investment model for the sector, underpinned by environmental, social and governance (ESG) principles, the Company's goal is to make a meaningful societal difference by increasing the provision of appropriate Supported Housing accommodation to vulnerable people across the UK.

#### Investing to make a difference

The Responsible Housing REIT invests across the full spectrum of the Supported Housing market. It will provide fit for purpose accommodation across the UK, primarily for adults aged 18 to 65 who need support in managing their day-to-day lives.

The Company offers:

- A diversified portfolio of Supported Housing accommodation assets and aligned sectors, held on sustainable lease terms that are aligned with care-provision packages and underlying contracts.
- Inflation-linked income supported by low volatility and benchmarked rents.
- A measurable ESG impact working with our partners.
- Once stabilised, a target annual distribution yield of 5 per cent. and a targeted total annual return of a minimum of 7.5 per cent.\*

#### New investment model

The Company will take a new and distinct approach to providing lease based Supported Housing. By improving alignment to partners and stakeholders this is intended to better facilitate the flow of private capital into a growing Supported Housing market that is sustained by consistent and rising demand.

The Company has core values:

- Is designed to deliver positive outcomes for residents and simultaneously balance the requirements of Registered Providers and investors.
- Seeks to work predominantly with highly rated Registered Providers.
- Provides resilient housing that is environmentally and operationally efficient.
- Aligned with the recommendations of the Regulator of Social Housing.
- Supports the Government's Transforming Care agenda.

For investors, the benefits are:

- A solution-led investment strategy meeting continual high demand.
- High-quality, sustainable housing for vulnerable people and a scalable model aligned to the Regulator's requirements.
- Reduced counterparty risk by partnering predominantly with highly rated Registered Providers.
- Benchmark rents with increases linked to inflation.
- Capital risks controlled by appropriate premiums to vacant possession value.

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**5%** Target  
distribution  
yield\*

**7.5%** Targeted  
total annual  
return\*

There is no guarantee  
that these targets will  
be met

\* Once stabilised and by reference to the Issue Price. Once stabilised, the targeted total NAV return will be a minimum of 7.5 per cent. per annum (net of expenses), by reference to the Issue Price, over the medium term which will be achieved through the use of portfolio leverage as well as the reinvestment of cash flows and asset management initiatives.

This is an opportunity to meet the growing need for care and support in a way that benefits all stakeholders: residents, accommodation and care providers, investors and the taxpayer. Evolving the leased-based model maximises the potential for private capital to add to the provision of Supported Housing.

**ESG factors**

A focused ESG approach underpins investment performance, reducing long term cost and aligning investment management decisions to positive stakeholder outcomes. We apply our ESG objectives throughout the lifecycle of our properties, from acquisition and refurbishment to day-to-day operations. The Company’s three main objectives are:

- To deliver appropriate accommodation, targeted at local needs, in a way that facilitates person-centred care and offers value for money through tailored lease terms;
- To create environmentally and operationally efficient homes; and
- To screen and engage with our partners to ensure that we deliver quality housing stock that expands the provision of accommodation in the UK’s Supported Housing sector.

The Investment Manager will produce an annual ESG and social impact report for investors containing case studies and also showing how we are progressing towards meeting our 2040 net zero carbon target.

**Track record**

The Company will appoint BMO Investment Business Limited (“BIB”) as the Company’s alternative investment fund manager to provide overall portfolio and risk management services to the Company. BIB has delegated certain asset management services to BMO REP Asset Management plc who, in turn, has delegated the provision of property management services to BMO REP Property Management Limited (“BMO REP”). With assets under management of £6.7 billion, BMO REP has a strong track record in both property and responsible investing.

BIB and BMO REP are part of BMO Global Asset Management. BMO Global Asset Management (EMEA) has over £85 billion of assets under management, with over 20 years of investor engagement, managing 10 differentiated investment trusts.

**Investor summary**

The Responsible Housing REIT aims to generate a consistent and sustainable income-based return from the provision of Supported Housing accommodation assets and aligned sectors. The partner aligned lease-based model should expand the breadth of registered providers providing counterparty diversification and expanding the potential scale of the Company.

The Company’s considered, measured, targeted and responsible approach to providing Supported Housing seeks to ensure that vulnerable people receive appropriate, resilient and sustainable homes. The targeted annual distribution yield is 5 per cent.\*, and the Company aims for a total annual return of at least 7.5 per cent.\* while also aiming to generate tangible benefits for society.

29,000	25,300	225,000
People in need of support are living with parents aged 70+	New Units required by those with learning difficulties, in the next decade	Additional Extra Care units required by 2030

\* Once stabilised and by reference to the Issue Price. Once stabilised, the targeted total NAV return will be a minimum of 7.5 per cent. per annum (net of expenses), by reference to the Issue Price, over the medium term which will be achieved through the use of portfolio leverage as well as the reinvestment of cash flows and asset management initiatives.



## PART 2

### RESPONSIBLE HOUSING REIT PLC

#### 1. INTRODUCTION

Responsible Housing REIT plc is a newly established, externally managed closed-ended investment company incorporated in England and Wales on 30 July 2021 with an indefinite life 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.

The Company will have a single class of ordinary shares in issue, which will be listed on the premium segment of the Official List and traded on the premium segment of the London Stock Exchange's main market.

The Company is seeking to raise up to approximately £250 million under the Issue (comprising the Placing, Offer for Subscription and Intermediaries Offer). The Net Issue Proceeds will be invested, in accordance with the Company's investment objective and policy, in a diversified portfolio of fit-for-purpose Supported Housing accommodation assets and aligned sectors across the UK predominantly let on index-linked leases to registered charities, housing associations, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government ("**Registered Providers**" or "**RPs**").

"Supported Housing" is accommodation provided alongside support, supervision or care to help people live as independently as possible in the community. The Supported Housing accommodation asset is generally operated by a Registered Provider (the Company's tenants) and the care package for the supported resident is provided by the specialist care provider ("**Care Providers**" or "**CPs**"). Local Authorities across the UK have an obligation to house supported residents and allocate funding for both the accommodation and care elements of the service.

The Company will be dedicated to the expansion of Supported Housing accommodation and aligned sectors in the UK and will acquire and create quality, fit-for-purpose accommodation assets to cater for supported residents across a number of care sectors including adults and young people with learning disabilities, mental health issues, physical disabilities, addiction, those with support needs, those in need of temporary accommodation, the elderly and otherwise vulnerable individuals.

The Company has an independent board of non-executive directors and has engaged BMO Investment Business Limited (the "**Investment Manager**" or "**AIFM**") as the Company's alternative investment fund manager to provide overall portfolio and risk management services to the Company. The Investment Manager has delegated certain asset management services to BMO REP Asset Management plc (the "**Asset Manager**") who, in turn, has delegated the provision of property management services to BMO REP Property Management Limited (the "**Property Manager**"). Each of the Investment Manager, the Asset Manager and the Property Manager are part of the BMO Asset Management (Holdings) plc group ("**BMO**"). BMO is wholly owned by Bank of Montreal and is part of the BMO Global Asset Management group of companies.

Applications will be made to the FCA and to the London Stock Exchange for all of the Ordinary Shares issued and to be issued pursuant to the Issue to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence, at 8.00 a.m. on 5 October 2021.

The terms and conditions of the Placing and the Offer for Subscription are set out in Parts 10 and 11 of this Prospectus respectively.

## **2. INVESTMENT OBJECTIVE AND POLICY**

### **2.1. Investment objective**

The investment objective of the Company is to generate a consistent and sustainable income based return from the provision of Supported Housing accommodation assets and aligned sectors. This objective is supported by a comprehensive ESG framework that will deliver environmental improvements and seeks to achieve improved outcomes for individuals and society.

### **2.2. Investment policy**

The Company will seek to achieve its objective by investing in a diversified portfolio of fit-for-purpose Supported Housing accommodation assets and aligned sectors across the UK. The Supported Housing accommodation assets will be let or pre-let to registered charities, housing associations, community interest companies and other regulated organisations that are eligible to receive housing benefits or comparable funding from local or central government, predominantly on index-linked leases. The income stream of the Company which is derived from its Supported Housing accommodation assets will be generated predominantly from leasing counterparties which have a G2/V2 rating or above from the Regulator of Social Housing (or any successor organisation which becomes responsible for regulating the provision of Supported Housing in the UK).

The Company is dedicated to the expansion of Supported Housing accommodation and aligned sectors in the UK and will acquire and create quality, fit-for-purpose accommodation assets to cater for supported residents across a number of care sectors including adults and young people with learning disabilities, mental health issues, physical disabilities, addiction, those with support needs, those in need of temporary accommodation, the elderly and otherwise vulnerable individuals. Lease terms will be aligned to care packages, Nomination Agreements or contract lengths, balancing the needs of the Registered Providers and investor requirements to create a mutually sustainable model with the aim of providing the appropriate, long-term outcomes for the supported residents.

The Company will acquire portfolios of Supported Housing accommodation assets and single Supported Housing accommodation assets, either directly or via SPVs. The portfolio will target overall metrics relating to:

- alignment to an appropriate premium to private market rents;
- alignment to an appropriate premium to vacant possession value;
- diversification from a geographical, Care Provider, Registered Provider and asset type perspective; and
- a comprehensive and evolving ESG framework to deliver environmental improvements and which seeks to achieve improved outcomes for individuals and society.

### ***Renovation and forward funding development policy***

The Company will engage in renovating or customising existing homes, or converting existing commercial properties, as necessary to ensure they are fit-for-purpose and in line with the specifications of the care packages and Registered Provider requirements.

The Company will forward fund the development of new Supported Housing assets when the Investment Manager believes that to do so would enhance returns for Shareholders and/or secure an asset for the Company's portfolio at an attractive yield. Forward funding will only be provided in circumstances in which:

- there is an agreement to lease the relevant property upon completion in place;
- Local Authority Care Commissioner support has been secured;
- planning permission has been granted in respect of the site; and
- for build periods longer than six months, the Company receives a return on its investment (at least equivalent to the projected income return for the completed asset) during the construction phase and before the start of the lease.

***Direct development policy***

The Company may undertake direct development activity and assume direct development risk but any such activity will be limited and will be complementary and ancillary to the Company's wider investment strategy when the Investment Manager believes that to do so would enhance returns for Shareholders and/or secure an asset for the Company's portfolio at an attractive yield. Direct development will only be provided in circumstances in which:

- there is an agreement to lease the relevant property upon completion in place;
- Local Authority Care Commissioner support has been secured;
- planning permission has been granted in respect of the site; and
- for build periods longer than six months, the Company expects to receive a return on its investment (at least equivalent to the projected income return for the completed asset) during the construction phase.

***Cash management***

Cash held for working capital purposes or received by the Company pending reinvestment or distribution will be held in Sterling only and invested in cash, cash equivalents (including holdings in liquidity funds), near cash instruments and money market instruments.

***Derivatives***

The Company may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company's portfolio management.

***Investment in other investment funds***

The Company will not invest in other investment funds.

***Investment restrictions***

The Company will invest and manage its assets with the objective of spreading risk. In order to achieve a portfolio that is diversified by property, tenant and location, the Company will be subject to the following investment restrictions:

- at least 80 per cent. of the Gross Asset Value will be invested in Supported Housing accommodation assets and aligned sectors;
- up to 20 per cent. of the Gross Asset Value may be invested in real estate assets which are ancillary or contiguous to Supported Housing accommodation assets;
- the value of no single property, at the time of acquisition, will represent more than 20 per cent. of the higher of: (i) Gross Asset Value; or (ii) where the Company has not yet become fully geared, Gross Asset Value adjusted on the assumption that the Company's property portfolio is geared at 30 per cent. loan to value;
- the aggregate maximum exposure to any one Registered Provider will not be greater than 25 per cent. of the higher of: (i) the Company's net rental income; or (ii) where the Company has not yet become fully geared, Gross Asset Value adjusted on the assumption that the Company's property portfolio is geared at 30 per cent. loan to value; and
- the aggregate maximum exposure to forward funded developments and direct development will not be greater than 15 per cent. of the higher of: (i) Gross Asset Value; or (ii) where the Company has not yet become fully geared, Gross Asset Value adjusted on the assumption that the Company's property portfolio is geared at 30 per cent. loan to value.

The investment limits detailed above will apply once the Net Issue Proceeds are fully invested and will be calculated at the time of investment.

### ***Borrowing Policy***

Gearing calculated as borrowings as a percentage of the Gross Asset Value, may not exceed 40 per cent. at the time of drawdown. The Board currently intends that, over the medium term, borrowings of the Company will represent approximately 30 per cent. of Gross Asset Value at the time of drawdown.

The Directors currently intend at all times to conduct the affairs of the Company so as to enable it to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and will not at any time conduct any trading activity which is significant in the context of the business of the Company as a whole.

### ***Changes to the investment policy***

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution. Non-material changes to the investment policy may be approved by the Board.

In the event of a breach of the investment policy set out above and the investment and gearing restrictions set out therein, the AIFM shall inform the Board without delay, and if the Board considers the breach to be material, notification will be made through a Regulatory Information Service announcement.

## **3. INVESTMENT OPPORTUNITY OVERVIEW**

The Directors believe that an investment in the Company offers the following benefits:

### ***A new approach to the provision of additional Supported Housing underpinned by strong real estate fundamentals and supporting the Transforming Care agenda***

The Board and the Investment Manager believe the Company's investment strategy represents the next iteration in lease-backed Supported Housing. Properties will be let on tailored leases with a variety of lengths to registered charities, housing associations, community interest companies and other regulated organisations (together "**Registered Providers**" or "**RPs**"), which have a proven operating track record and meet minimum screening requirements. Leases will typically be aligned to the length of care-provision packages and underlying contractual documentation and, where appropriate, contain break options. This creates a new model which seeks to balance the needs of Registered Providers and investors and seeks to be aligned with the Regulator of Social Housing's ("**RSH**") requirements. This new approach will ensure transparency in the setting of rents with appropriate benchmarking against private market rents. Additionally, investment values will be benchmarked against vacant possession value thereby seeking to reduce risk.

### ***Strategy underpinned by long-term demographic demand drivers***

The UK's Supported Housing sector experiences continuous resident demand, underpinned by supportive demographic trends, but continues to suffer from a lack of available, quality and fit-for-purpose accommodation. Projections suggest the overall number of supported homes may need to increase by 30 per cent. from approximately 650,000 units in 2015 to approximately 845,000 units by 2030 to accommodate the increasing demand. A tailored approach is required as the differing support needs impact the volume of units required within each identifiable group and across localities.

Additional demand is expected to arise from the continued implementation of the Government's Transforming Care Agenda, the overarching aims of which are to improve the overall quality of both the life of, and the care received by, such individuals by moving away from inappropriate, inpatient care towards responsive community based care.

### ***Scalable growth opportunity with asset selection based on strong real estate fundamentals***

The Board and the Investment Manager believe that a responsible approach from private investment will attract strong, compliant counterparties and deliver a more balanced solution for the Registered Providers resulting in an enhanced provision and better long-term outcomes for the supported residents. In addition, they believe that the Company's investment strategy offers a scalable growth opportunity where the scale and expertise of BMO is combined with the experience and knowledge of dedicated advisers specialising in the Supported Housing sector. Relationships have been progressed with stock providers who have the ability to deliver a pipeline of assets with an aggregate value in excess of the targeted fundraise and which meet the Company's investment objective and investment policy.

***Sustainable income with low volatility underpinning a 5 per cent. dividend yield target***

The Supported Housing assets in which the Company will invest should offer inflation-linked income supported by low volatility and benchmarked rents. When the Net Issue Proceeds have been fully invested, the minimum targeted annual dividend yield will be 5.0 per cent. by reference to the Issue Price, starting from the financial period commencing 1 October 2022, with the potential to grow the dividend in absolute terms through inflation-linked lease agreements, and the total NAV return target will be a minimum of 7.5 per cent. per annum (net of fees and expenses), by reference to the Issue Price, over the medium term which will be achieved through the use of portfolio leverage as well as the reinvestment of cash flows and asset management initiatives. The dividend and total NAV return targets stated above are targets only and not a profit forecast.

***A peer group leading ESG focus with a demonstrable and measurable ESG impact***

Employing a differentiated investment model for the sector, underpinned by clearly targeted environmental, social and governance (ESG) principles, the Company's goal is to make a meaningful societal difference by increasing the provision of safe and affordable homes for vulnerable people. The Company will focus on providing quality, fit-for-purpose housing for vulnerable individuals aligned to the needs of the Company's tenants (being the Registered Providers) and the underlying supported residents. ESG considerations are a fundamental part of the investment process and will be fully integrated into constructing the Company's property portfolio. ESG objectives will be applied and measured throughout the lifecycle of a property from acquisition through refurbishment and operation. Responsible investing is a core competency of BMO Global Asset Management, with approximately £8.0 billion of AUM in 'responsible' funds as at 31 March 2021. It is A+ rated for overall strategy and governance under the UNPRI and its dedicated Responsible Investment team consists of 21 professionals.

***Highly experienced management team***

BMO Global Asset Management (EMEA) has over £85 billion of assets under management, with over 20 years of investor engagement, managing 10 differentiated investment trusts. The specialist Property Manager manages assets of approximately £6.7 billion (as at 30 June 2021). The Company will benefit from the Property Manager's strong reputation and considerable experience, a specialist team of advisers with extensive knowledge and market contacts assisting with the delivery of the investment strategy and an experienced and fully independent board with a diverse range of relevant skills and expertise.

Part 3 of this Prospectus sets out information on the market background and investment opportunity relating to investment in Supported Housing accommodation assets. Part 4 of this Prospectus sets out further information on the investment management team and the investment strategy, process and pipeline.

**4. DEPLOYMENT OF NET ISSUE PROCEEDS**

The Company intends that the Net Issue Proceeds will be invested as quickly as practicable following Admission. Assuming the target Gross Issue Proceeds of £250 million are raised under the Issue and prior to the Company entering into any borrowings, the Investment Manager estimates that the Net Issue Proceeds should be substantially invested or committed within 12 months of Admission in accordance with the Company's investment policy.

**5. DIVIDEND POLICY AND TARGET RETURNS**

Once the Net Issue Proceeds have been fully invested, the minimum targeted annual dividend yield will be 5.0 per cent. by reference to the Issue Price, starting from the financial period commencing 1 October 2022, with the potential to grow the dividend in absolute terms through inflation-linked lease agreements. In addition, the targeted total NAV return from this date will be a minimum of 7.5 per cent. per annum (net of fees and expenses), by reference to the Issue Price, over the medium term which will be achieved through the use of portfolio leverage as well as the reinvestment of cash flows and asset management initiatives. In respect of the first financial period ending 30 September 2022, whilst the Net Issue Proceeds are being deployed, the target is to pay a minimum total dividend of 2.5 pence per Ordinary Share.

The dividend and total NAV return targets stated above are targets only and not a profit forecast. These targets have been developed based upon assumptions with respect to future business decisions and conditions that are subject to change, including deployment of the Net Issue Proceeds, borrowing, the



Company's execution of its investment objective and strategies, as well as growth in the sector and markets in which the Company operates. As a result, the Company's actual results may vary from the targets set out above and those variations may be material. The Company does not undertake to publish updates as to its progress towards achieving any of these targets (as it may be impacted by events or circumstances existing or arising after the date of this Prospectus) or to reflect the occurrence of unanticipated events or circumstances. The Company has not defined by reference to specific periods the term "medium term". There can be no assurance that these targets will be met and they should not be taken as an indication of the Company's expected future results. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend yield and target total NAV return are reasonable or achievable.

The Company intends to declare dividends on a quarterly basis by way of four interim dividends of equal amounts (subject to reporting based adjustments), for periods ending September, December, March and June. The Company's first interim dividend, in respect of the period ending 31 December 2021, is expected to be declared in February 2022 and paid on or around 31 March 2022.

In order to obtain and comply with REIT status the Company will be required to meet a minimum distribution test for each year that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits of its Property Rental Business for each accounting period, as adjusted for tax purposes.

In order to increase the distributable reserves available to facilitate the payment of future dividends, the Company has resolved that, conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following Admission be cancelled and transferred to a special distributable reserve. The Company may, at the discretion of the Board, pay all or any part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.

## **6. BORROWING**

The Company has the power under its Articles to borrow money. The Company may deploy gearing to seek to achieve its objectives and for the purposes of capital flexibility. The Company may be geared through bank borrowings and any such other methods as the Board may determine. Gearing will not exceed 40 per cent. of Gross Asset Value at the time of drawdown of the relevant borrowings.

Once substantially invested and assuming the target Gross Issue Proceeds are raised, the Company will seek to utilise borrowings targeting a conservative level of aggregate borrowings equal to approximately 25 to 30 per cent. of the Gross Asset Value of the Company at the time of drawdown.

It is currently anticipated that the Company will enter into interest rate swap arrangements in relation to any term loan facility agreements into which it enters.

## **7. VALUATION POLICY**

The Company will appoint Jones Lang LaSalle Limited as its independent valuer for the purposes of establishing the fair value of the Company's property portfolio. Valuations of the Company's properties will be conducted on a quarterly basis as at March, June, September and December in each year. The valuations of the Company's properties will be at fair value as determined by the Independent Valuer on the basis of market value in accordance with the internationally accepted RICS Appraisal and Valuation Standards.

The first valuation is expected to be conducted as at March 2022.

Valuations will only be suspended in circumstances where the underlying information necessary to value the Company's properties cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure) which prevents the Company from making such valuations.

Details of each valuation, and of any suspension in the making of such valuations, will be announced by the Company through a Regulatory Information Service announcement as soon as practicable after the relevant valuation date.

## **8. CALCULATION OF NET ASSET VALUE**

The Net Asset Value (and Net Asset Value per Share) will be calculated on a quarterly basis by the Investment Manager and reviewed by the Company. Calculations will be made in accordance with IFRS and, unless the Board determines otherwise, in accordance with EPRA's best practice recommendations. Details of each valuation, and of any suspension in the making of such valuations, will be announced by the Company through a Regulatory Information Service announcement as soon as practicable after the end of the relevant period. The quarterly valuations of the Net Asset Value (and Net Asset Value per Share) will be calculated on the basis of the most recent quarterly independent valuation of the Company's properties.

The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure) which prevents the Investment Manager from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service announcement as soon as practicable after any such suspension occurs.

## **9. DISCOUNT AND PREMIUM MANAGEMENT**

The Board recognises the need to address any sustained and significant imbalance between buyers and sellers which might otherwise lead to the Ordinary Shares trading at a material discount or premium to the Net Asset Value per Share.

### **9.1. Premium management**

In the event that the Ordinary Shares trade at a premium to NAV, the Company may issue new Ordinary Shares. The Directors have authority, following Admission, to issue further Ordinary Shares up to an aggregate nominal amount representing up to 20 per cent. of the Ordinary Shares in issue immediately following Admission on a non-pre-emptive basis. Such authority will expire at the conclusion of the Company's first annual general meeting, which is expected to be held in January 2023, or 18 months from 30 July 2021 (whichever is earlier). It is intended that renewal of this authority will be sought from Shareholders at each subsequent annual general meeting of the Company.

Further Ordinary Shares may be issued without the publication of a prospectus in accordance with exemptions set out in the UK Prospectus Regulation, which currently allow for the issue of shares representing, over a rolling period of 12 months, less than 20 per cent. of the number of shares of the same class already admitted to trading on the same regulated market which have not been issued pursuant to a prospectus, provided that such issue is not made by way of an offer of the Company's securities to the public.

Investors should note that the issuance of new Ordinary Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Ordinary Shares that may be issued.

### **9.2. Treasury Shares**

The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the Net Asset Value per Share at the time of their sale unless they are first offered *pro rata* to existing Shareholders.

### **9.3. Discount management**

The Company may seek to address any significant discount to NAV at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an *ad hoc* basis.

The Directors have the authority to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue on Admission. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than five per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made. Ordinary Shares will be

repurchased only at prices below the prevailing NAV per Share, which should have the effect of increasing the NAV per Share for the remaining Shareholders. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

It is intended that a renewal of the authority to make market purchases will be sought from Shareholders at each annual general meeting of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board and conducted in accordance with the Companies Act, the Listing Rules, the Disclosure Guidance and Transparency Rules and UK MAR and will be announced to the market through a Regulatory Information Service announcement as soon as possible and in any event by no later than 7.30 a.m. on the following day. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. The Directors will have regard to the Company's REIT status when making any repurchase of Ordinary Shares.

As approved by a special resolution passed on 17 August 2021, the Company intends to cancel its share premium account shortly following Admission by way of a Court order, in order to, *inter alia*, be able to make share repurchases out of the Company's distributable reserves.

Investors should note that the repurchase of Ordinary Shares is entirely at the discretion of the Board and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of Ordinary Shares that may be repurchased.

## **10. MEETINGS, REPORTS AND ACCOUNTS**

The Company will hold its first annual general meeting in January 2023 and will then hold an annual general meeting each year thereafter. The annual report and accounts of the Company will be made up to 30 September in each year with copies being made available to Shareholders within the following four months. The first annual report will be prepared to 30 September 2022. The Company will also publish unaudited half-yearly reports covering the six months to 31 March each year and copies of the unaudited half-yearly reports will be made available on the Company's website (in accordance with the Companies Act) within the following three months.

The financial statements will be prepared in accordance with IFRS.

In addition to financial reports, the Company will publish a separate annual ESG and social impact report.

## **11. DURATION AND CONTINUATION VOTES**

The Company does not have a fixed life. Under the Articles, the Board is obliged to propose an ordinary resolution that the Company continues its business as a REIT at the annual general meeting of the Company held in 2027 and at every fifth annual general meeting thereafter.

If any such continuation resolution is not passed, the Directors are required, within six months following the date on which such resolution is not passed, to convene a general meeting of the Company to consider a special resolution to approve the reconstruction, reorganisation or winding up of the Company. These proposals may or may not involve winding-up the Company or liquidating all or part of the Company's then existing portfolio and, accordingly, failure to pass a continuation resolution will not necessarily result in the winding-up of the Company or liquidation of all or some of its portfolio.

## **12. SHARE CAPITAL**

Immediately following Admission, the share capital of the Company will consist of one class of ordinary shares. At any general meeting of the Company, each Shareholder will have on a show of hands one vote and on a poll one vote in respect of each Ordinary Share held. Shareholders are entitled to such dividends (if any) as are declared by the Company and are entitled, on a return of capital on a winding up or otherwise, to all undistributed revenue of the Company and to the residual capital of the Company which remains after satisfying any liabilities.

## **13. REIT STATUS AND TAXATION**

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 it to meeting and continuing to satisfy the necessary qualifying conditions.

Potential investors are referred to Part 7 of this Prospectus for details of the REIT regime and on taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers prior to making a subscription for Ordinary Shares.

#### **14. REGULATORY STATUS OF THE ORDINARY SHARES**

As a REIT, the Ordinary Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares will not be subject to the FCA’s restriction on the promotion of non-mainstream pooled investments.

The Company intends to conduct its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under the UK MiFID Laws. The Directors consider that the requirements of Article 57 of the EU MiFID II delegated regulation of 25 April 2016 (and the equivalent provision of the UK MiFID Laws) will be met in relation to the Ordinary Shares and that, accordingly, the Ordinary Shares should be considered “non-complex” for the purposes of EU MiFID II and the UK MiFID Laws.

#### **15. RISK FACTORS**

The Company’s performance is dependent on many factors and potential investors should read the whole of this Prospectus and, in particular, the section entitled “*Risk Factors*” on pages 12 to 26 of this Prospectus.

## PART 3

### MARKET BACKGROUND AND INVESTMENT OPPORTUNITY

#### 1. MARKET BACKGROUND

##### 1.1. The aims of Supported Housing and income flows

Supported Housing is accommodation for individuals with an actual or potential need for care, support or supervision beyond the level of assistance that would be expected in general needs social housing, providing the assistance needed to enable the individuals to cope with the practicalities of everyday life. The aim is to empower the supported residents and to enable them to live as independently as possible by providing accommodation and care focused on their specific needs. The supported residents may have a learning disability, mental health issue, physical disability, addiction, be in need of temporary accommodation, be elderly or be otherwise vulnerable.

Generally, the accommodation services in respect of Supported Housing are provided and operated by a Registered Provider (who will be the Company's tenant). Local Authorities nominate individuals to be housed in the Supported Housing accommodation and appoint Care Providers to provide the appropriate care package. The Supported Housing accommodation being provided by the Company will therefore be required to have the appropriate care specifications which may mean that assets have to be updated, refurbished and/or converted. Once the accommodation is deemed suitable by the Care Provider and the supported resident, they will both enter into an agreement with the Registered Provider. The rent due to the Company will be paid by the Registered Provider and the Property Manager will typically seek to tailor the terms of the Company's lease with the Registered Provider to the care packages and underlying contractual documentation.

Local Authorities across Britain have an obligation to house residents with specific needs and to work with the Registered Providers and Care Providers to provide the appropriate care package. The Local Authorities satisfy the rents payable by the supported resident through the administration of Housing Benefit payments on behalf of the Department for Work and Pensions and also allocate funds for both the accommodation and care elements of the service.

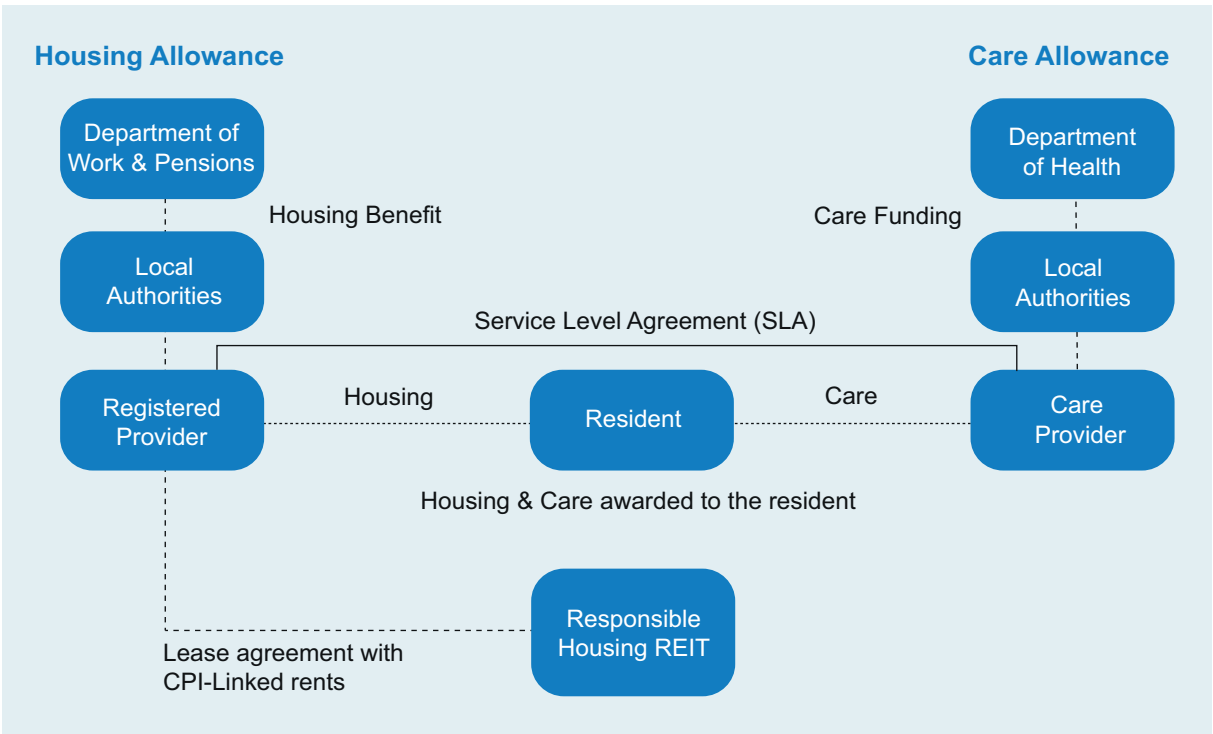
In order to meet the additional costs of providing specialist housing, Supported Housing rents are typically exempt from the Local Housing Allowance caps otherwise applicable to Housing Benefit payments. Funding for each supported resident thus generally represents the full cost of care and Housing Benefit for that person. Claims made for exempt accommodation rents must be made by landlords that are 'not-for-profit' entities and which provide care, support and supervision to the supported resident (although the care element can be provided on behalf of the landlord by a third party) and are therefore claimed by the Registered Providers.

Registered Providers and Care Providers are regulated in an effort to protect public finances and ensure quality of service provision. Given the variety of operators within the sector, the different types of organisations that provide Supported Housing are regulated by different bodies within each of the UK's jurisdictions. In England, the principle authorities are the Regulator of Social Housing ("RSH"), the Charity Commission and the Care Quality Commission ("CQC") and their respective remits are broadly undertaken by an equivalent authority in Northern Ireland, Scotland and Wales.

The Company proposes to work with Registered Providers, Care Providers and Local Authority Care Commissioners in relation to the sourcing, refurbishment and/or development of Supported Housing accommodation to meet the needs of the relevant Local Authority and to ensure that the accommodation is aligned with the requirements of the RPs, CPs and the supported residents themselves.



The chart below explains how the income flow will typically operate for Specialised Supported Housing, which will make up a significant part of the Company’s portfolio. Specific nuances in how the flow of income will operate in certain sub-sectors of Supported Housing are discussed in paragraph 4 of Part 4 of this Prospectus.



Source: BMO REP Property Management Limited. For illustrative purposes only.

The Government generally funds both the care and the housing for each supported resident. The housing portion is paid from the Department of Work and Pensions to the relevant local Housing Benefit team, which then generally passes funds directly to the Company’s tenants (being the Registered Providers or charities to whom the properties are let). Money relating to an individual’s care is paid to the Care Provider by the Local Authority or NHS depending on who is responsible for the individual.

Taken together, the income flow to the Company is funded by the payment of rent under the Company’s lease agreements with the Registered Providers. The rents claimed by the Registered Providers are classified as ‘exempt’ Housing Benefit meaning they can be set above the Local Housing Allowance cap. This allows Registered Providers to recover the full costs of providing housing support and services to supported residents.

The Company will not undertake responsibility for the provision of the care operations for the supported residents. Instead, such care will be provided by a professional care provider in this sector in the form of the Care Provider.

### 1.2. Delivering a new model

The Company will seek to deliver appropriate accommodation, targeted at local needs, in a way that facilitates person-centred care and offers value for money through tailored lease terms. The Company is seeking to evolve the prevailing long lease model operating in this sector primarily by entering into shorter term leases which are more closely aligned to the length of the care packages and underlying contractual documentation, in turn creating a lease-based model which is more appropriate for all parties involved and addresses the RSH’s concerns with a long lease model.

The leases the Company will enter into with RPs will also, where appropriate, contain break options relating to changes of government support or material changes in the required care package. The proper alignment between lease term and underlying contract opens up the ability to contract with larger better capitalised RPs who, due to governance and viability reasons, would not enter into a mismatched lease arrangement.

In addition, the new approach will also seek to ensure transparency in the setting of rents with appropriate benchmarking against private market rents. Furthermore, investment values will be benchmarked against vacant possession values thereby seeking to reduce capital risk.

## **2. THE INVESTMENT OPPORTUNITY**

### **2.1. Investment rationale**

The Investment Manager believes the Supported Housing sector is an attractive investment proposition for the following reasons.

- The Supported Housing accommodation in which the Company will invest should offer inflation-linked income supported by low volatility and benchmarked rents.
- The UK's Supported Housing sector experiences continuous resident demand, underpinned by supportive demographic trends and government policies, but continues to suffer from a lack of available, quality, fit-for-purpose accommodation.
- The Investment Manager believes the Company's investment strategy offers a scalable growth opportunity where the scale and expertise of BMO is combined with the experience and knowledge of dedicated advisers specialising in the Supported Housing sector. Relationships have been progressed with stock providers who have the ability to deliver a pipeline of assets with an aggregate value in excess of the targeted fundraise and which meet the Company's investment objective and investment policy.
- The strategy offers investors demonstrable and measurable ESG impact. The Company's investment strategy will focus on providing quality, fit-for-purpose housing for vulnerable individuals aligned to their needs.
- The Company will deliver private capital directly into the Supported Housing sector, enhancing the provision of units and supporting the Government's "*Transforming Care Agenda*". The Company is seeking to evolve the prevailing long lease model operating in this sector primarily by letting properties on tailored leases with a variety of lengths which will typically be aligned to the length of care-provision packages and underlying contractual documentation and, where appropriate, contain break options. This should create a new model which seeks to balance the needs of Registered Providers and investors and seeks to be aligned with the RSH's requirements.

### **2.2. Demand drivers**

The Government's "*Transforming Care Agenda*" combined with stock shortage and supportive demographic trends means there is a tangible demand for investment in the UK's Supported Housing sector.

#### **2.2.1. Transforming Care Agenda**

The Transforming Care Agenda is a multifaceted government initiative pursued by NHS England which seeks to improve the lives of children, young people and adults with a learning disability and/or autism who display behaviours that challenge, including those with a mental health condition. Such behaviours are myriad and can include aggression, self-injury, withdrawal and disruptive or destructive conduct. The initiative's overarching aims are to improve the overall quality of both the life of, and the care received by, such individuals as well as enhancing the outcomes of community based care. In order to achieve this, health and social care commissioners throughout England are expected to formulate joint transformation plans with parties such as the Department for Health, NHS England, the Care Quality Commission and the Local Government Association (among many others) with a view to creating responsive and appropriate enhanced local services which allow individuals to live satisfying lives in community settings. Although plans differ according to localised needs and the capacity of existing services across the UK, there is an impetus to move individuals with a learning disability and/or autism into community integrated care facilities and to significantly reduce reliance on what are now deemed inappropriate institutional care providers, and as such there is an increasing closure of asylums, campuses and long-stay hospitals.

The Transforming Care Agenda is therefore a key driver in increasing Supported Housing demand.

### 2.2.2. Demographic trends

Changing demographics is also a driver of demand. This can be from the rising proportion of older people (the over 65 years old population is forecast to increase by 23 per cent. between 2021 and 2030) as well as an increasing cohort of vulnerable groups. In addition, partly aided by medical advances, more people with acute health conditions and disabilities enjoy longer lives, adding to the demand for more supported and specialised housing.

It has been suggested by the Economics of Health and Social Care Systems Policy Research Unit that to keep pace with the varied demographic pressures, more targeted Supported Housing is needed. The latest data is from 2015, however the general trajectory still holds true. Projections suggest the overall number of supported homes may need to increase by 30 per cent. from approximately 650,000 units in 2015 to approximately 845,000 units by 2030 to accommodate the increasing demand. A tailored approach is required as the differing support needs impact the volume of units required within each identifiable group and across localities.

For example, in the 'older people' category the number of supported housing units may need to rise by 35 per cent., from approximately 460,000 units in 2015 to approximately 625,000 units by 2030, while those with learning difficulties will need an estimated 53 per cent. increase in available units by 2030.

#### ***Projected units of Supported Housing by client group in Great Britain, 2015-2030 (Base case, in thousand units)***

	2015	2020	2025	2030	2015-2030 (% increase)
<b>Older people</b>	462	497.5	549.7	623.4	34.9%
<b>Working age clients</b>					
Learning disability	47.7	59	66.2	73	53.0%
Mental health problems	32.9	34.2	34.9	34.6	5.2%
Physical disability or sensory impairment	11.8	12.2	12.4	12.3	4.2%
Single homeless people	37	37	37.2	37.8	2.2%
Other working age clients	60.1	59.6	60.2	62	3.2%
<b>Total</b>	<b>651.4</b>	<b>699.6</b>	<b>760.5</b>	<b>843.2</b>	<b>29.4%</b>

*Source: Economics of Health and Social Care Systems Policy Research Unit. Projections prepared for the Department of Communities and Local Government and the Department of Health of demand for supported housing for older people and younger adults in Great Britain to 2030 and associated future expenditure. Projected demand for supported housing in Great Britain, 2015 to 2030. March 2017.*

Along with the need for a rise in absolute numbers of Supported Housing units, there is inevitably a financial cost. The estimated increase in expenditure on Supported Housing accommodation across the UK and across all user groups is 27 per cent., from approximately £4.13 billion in 2015 to approximately £5.24 billion in 2030 (in constant 2015 prices).

### 2.2.3. Shortage of available, quality, fit-for-purpose accommodation

The Supported Housing sector in the UK experiences continuous resident demand but continues to suffer from a lack of available, quality, fit-for-purpose accommodation to meet such demand. As at 2016, it was estimated that 29,000 people with support needs lived with parents over 70, and only one in four had a council-planned alternative. It is estimated that approximately 25,300 new Supported Housing units will be required for those with learning difficulties by 2030. The Elderly Accommodation Counsel estimates that by 2035, the shortfall in the provision of purpose-built housing for older people in the UK will equal almost 400,000 units. In addition, projections suggest that 225,000 additional Extra Care units may be needed in the UK by 2030.

### 2.2.4. Value for the public purse

Although it is difficult to precisely quantify the economic value of Supported Housing due to the separate funding streams for accommodation and care, as well as the fact that wider benefits often accrue to other agencies (such as the NHS or the criminal justice system), it is widely accepted that the cost benefit to the state of housing vulnerable individuals in fit-for-purpose Supported Housing accommodation is also substantial. Research from England from as early as 2009 estimated that the net financial benefits for

the Supporting People Programme (a ring fenced programme of grants to local authorities intended to fund services to help vulnerable people live independently) were £3.4 billion against an overall cost of investment of £1.6 billion and there have been many local or client group evaluations which have demonstrated wider cost benefits since then.

Such costs savings have also been shown to be true for Specialised Supported Housing. It costs the state approximately £1,569 per week to house an individual in Specialised Supported Housing accommodation whereas this sum increases to £1,760 per week in order to place an individual in residential care and £3,500 per week to provide inpatient hospital care. It is estimated that the cost of supporting older people in Extra Care Supported Housing can be as little as half the gross cost of residential care placements.

The financial savings and efficiencies that result from using Supported Housing accommodation as opposed to other forms of care has naturally resulted in an increased demand for the service.

### **2.3. Investment overview – a new model for lease-backed Supported Housing in the UK**

The Company's investment strategy will seek to expand the provision of Supported Housing within the UK whilst delivering income returns underpinned by index-linked Supported Housing accommodation assets.

The Company will target assets let on tailored leases with a variety of lease lengths to Registered Providers which have a proven operating track record and meet minimum requirements. The Company will seek to acquire assets across various sub-sectors within Supported Housing including the following:

- Specialised Supported Housing – Adults aged 18 to 65 with long-term care needs.
- Extra Care – Adults aged 55 and over with a spectrum of care needs.
- Young Persons – Young people aged 16 to 25 with care needs.
- Temporary Accommodation – Interim accommodation for adults with support needs, ranging from homelessness, vulnerable persons, mental health conditions, the rehabilitation of ex-offenders and young persons.
- Single Service User – Adults with complex care needs.

Rents for the Company's tenants will be set at a level that the Property Manager considers to be in line with the Rent Standard, with transparency, and benchmarked to private market rent. Rents will also typically be pre-agreed with Local Authorities.

The geographic distribution of the Company's portfolio will be supply-led (in terms of compelling investment opportunities) and demand-led (in terms of where the demand for Supported Housing accommodation is coming from Local Authority Commissioners). The Company expects the vast majority of the Supported Housing accommodation assets it acquires to be based in England, but where suitable opportunities arise, the Investment Manager will seek to acquire Supported Housing accommodation assets in other parts of the UK.

There will be a focus on ensuring the Supported Housing accommodation assets owned by the Company are developed and operated in a manner that ensures the particular needs of the underlying supported residents are met, with both the Registered Provider and the Care Provider providing input and oversight into the specification of each asset and a regular review process will be undertaken to ensure the ongoing suitability of the Supported Housing accommodation asset. However, the Company will not undertake responsibility for the provision of the care package for the supported residents, which will be assessed, provided and monitored by the Care Provider.

The Company's investment approach will seek to address the RSH's comments on the current lease-backed Supported Housing approach. In particular, the Company will seek to:

- ensure that the leases entered into between the Company and the Registered Providers are aligned with care-provision packages and underlying contractual documentation;

- predominantly partner with highly rated RPs operating in the sector (where rated by the RSH) or alternatively undertake appropriate due diligence in order to ensure the counterparties are sound from both a viability and governance point of view; and
- ensure that rents are set at appropriate levels having regard to the person-specific adaptations and other justified development costs required.

The Company will target minimum rating requirements on each RP with which it works, which should significantly reduce the Company's risk of tenant default, potential capital loss and minimise regulatory risk. The SH Regulator awards RPs a rating of 1 to 4 for both viability ("V") and governance ("G"). Ratings of 1 to 2 are deemed compliant with the RSH's requirements and ratings of 3 to 4 are deemed non-compliant. As stated in the Company's investment policy, the income stream of the Company which is derived from its Supported Housing accommodation assets will be predominantly generated from leasing counterparties which have a G2/V2 rating or above from the RSH. The Property Manager will seek to apply an effective screen to ensure the Registered Providers with whom it works are of the appropriate quality, whilst also aiming to ensure a diversified RP base.

The Property Manager will also seek to work with Registered Providers who work primarily with Care Providers rated Outstanding or Good by the CQC.

The Property Manager will focus on property fundamentals. Key in this approach will be an appreciation that the value of the Supported Housing accommodation asset is to be found in the building itself, not the lease attached to it, with a core focus on providing high quality accommodation and long-term suitability.

The Company, through dialogue with the UK's Local Authority Commissioners, Care Providers and Registered Providers will identify the areas in the UK where the need for more quality, fit-for-purpose Supported Housing accommodation is most acute and work with its contacts to source and develop new quality assets in these areas.



## PART 4

### INVESTMENT MANAGEMENT TEAM, STRATEGY, PROCESS AND PIPELINE

#### 1. THE INVESTMENT MANAGEMENT TEAM

##### 1.1. Introduction

The Company has appointed BMO Investment Business Limited (the “**AIFM**” or “**Investment Manager**”) as the Company’s alternative investment fund manager to provide overall portfolio and risk management services to the Company. The Investment Manager has delegated certain asset management services to BMO REP Asset Management plc (the “**Asset Manager**”) who, in turn, has delegated the provision of property management services to BMO REP Property Management Limited (the “**Property Manager**”). Each of the Investment Manager, the Asset Manager and the Property Manager are part of the group of companies whose parent is BMO Asset Management (Holdings) plc (“**BMO**”). BMO is wholly owned by Bank of Montreal and is part of the BMO Global Asset Management group of companies.

On 12 April 2021, BMO Financial Group announced the sale of its EMEA asset management business to Columbia Threadneedle Investments, with completion expected in the final quarter of 2021 (subject to regulatory consents and closing conditions). The agreement between the two parties will see BMO GAM’s talent and strategic capabilities in EMEA brought into Columbia Threadneedle Investments. This includes BMO’s expertise in investment trusts, real estate and responsible investing, three areas that are expected to continue to be in the enlarged Columbia Threadneedle Investments business post completion.

##### 1.2. BMO Global Asset Management’s direct real estate specialists

BMO Global Asset Management (EMEA) has over £85 billion of assets under management with the Property Manager itself, as a property specialist, managing assets of approximately £6.7 billion (as at 30 June 2021). With its strong reputation and considerable experience, the Property Manager has access to a wide variety of on and off-market transactions with approximately £20 billion of property stock reviewed annually. The Property Manager has a proven track record in effective stock selection, low voids, low tenant default and hands-on property management.

BMO currently manages ten investment trusts, providing investors with the opportunity to invest in specific regions or on a global basis and to invest in commercial property in a variety of sectors including office, retail and industrial. It has considerable experience in providing administrative and secretarial support to listed UK REITs and channel islands investment companies.

Responsible investing is a core competency of BMO, with approximately £8.0 billion of AUM in ‘responsible’ funds as at 31 March 2021. It is A+ rated for overall Strategy and Governance under the UNPRI and its dedicated Responsible Investment team consists of 21 professionals.

##### 1.3. The Lead Portfolio Managers

The Lead Portfolio Managers (whose details are set out below) are supported by a team of asset management, accounting, compliance, marketing, public relations, administrative and support staff. The key individuals responsible for executing the Company’s investment strategy at the Property Manager are:

**Guy Glover** (*Director, Property Funds, BMO Real Estate Partners*)

**Guy Glover, MRICS**, is a Fund Manager for the BMO UK Property Fund and has over 25 years’ experience in property, joining the BMO Group in 2004. Guy is a Chartered Surveyor and holds a Bachelors’ Degree in Land Management and a Postgraduate Diploma in Property Investment. Prior to BMO REP, Guy worked for 9 years at Wereldhave Property Corporation plc, where he was responsible for asset managing their UK portfolio. He qualified as a Chartered Surveyor in 1994 and currently sits on the Management Board of the Association of Real Estate Funds.

**Emma Gullifer** (*Assistant Fund Manager, BMO Real Estate Partners*)

**Emma Gullifer, MRICS**, joined BMO REP following four years at DTZ Investors, where in her most immediate role she was an Assistant Portfolio Manager. In this role, Emma worked across two discretionary balanced UK Property pension fund mandates, and a non-discretionary mandate specialising in UK Offices and her responsibilities included carrying out transactions and ongoing asset management initiatives, as well as contributing towards the creation of fund strategies. Emma holds a BA in Linguistics from the University of Cambridge, an MSc in Real Estate from Cass Business School, and is a member of the Royal Institute of Chartered Surveyors.

#### **1.4. Specialist third party advisers**

The Social Income Adviser comprises property professionals with significant experience in the UK's Supported Housing sector. Since 2017, the team has transacted over £350 million of property assets with a particular focus on accessing secure, and index-linked UK Supported Housing real estate through forward funding and built asset structures.

The Property Manager has entered into an advisory agreement with Social Income LLP (the “**Social Income Adviser**”) pursuant to which the Social Income Adviser will assist with the granular aspects of, *inter alia*, deal origination and the sourcing of Supported Housing accommodation assets, relationship management with RPs, CPs and the Local Authority Care Commissioners, and managing refurbishment and development of the Company's Supported Housing accommodation assets as the Company's portfolio stabilises. The Social Income Adviser's principal advisory fee will be paid by the Property Manager out of its share of the Investment Manager's annual management fee under the Management Agreement. However, the Company will be responsible for paying certain of the fees in respect of the services provided to the Property Manager under the Social Income Advisory Agreement to the Social Income Adviser directly.

The relationships between the Property Manager and specialist third party advisers such as the Social Income Adviser are designed to create a market leading sourcing, asset management and development platform enabling the Company to evolve the lease-backed Supported Housing model.

## **2. THE INVESTMENT STRATEGY**

### **2.1. Overview**

The Company's investment strategy will seek to expand the provision of Supported Housing accommodation within the UK, whilst delivering income returns underpinned by index-linked Supported Housing accommodation assets. The Company will invest in a diversified portfolio of fit-for-purpose Supported Housing accommodation assets and aligned sectors across the UK which will be let or pre-let to registered charities, housing associations, community interest companies and other regulated organisations (“**Registered Providers**”) that typically receive housing benefits or comparable funding from local or central government, predominantly on index-linked leases. Aligned sectors are likely to include (but will not be limited to) general needs social housing, shared ownership housing, residential property, educational facilities, healthcare (for example doctors surgeries, clinics), and other community facilities where they are complimentary and/or accretive to the support or accommodation provided.

The Investment Manager believes that the new model that will be pursued by the Company, as described in paragraph 2.3 of Part 3 of this Prospectus, appropriately matches risk and return between the parties and is better aligned to the sector and is therefore best placed to meet demand and capture the significant growth potential of this market.

### **2.2. A diversified approach**

The Company will seek to acquire assets across various sub-sectors within Supported Housing including the following:

- **Specialised Supported Housing** – Adults aged 18 to 65 with long-term care needs.
- **Extra Care** – Adults aged 55 and over with a spectrum of care needs.
- **Young Persons** – Young people aged 16-25 with care needs.

- **Temporary Accommodation** – Interim accommodation for adults with support needs, ranging from homelessness, vulnerable persons, mental health conditions, the rehabilitation of ex-offenders and young persons.
- **Single Service User** – Adults with complex care needs.

The Company will work with the full range of Registered Providers and Care Providers that fit the Investment Manager's criteria in order to maximise the Company's reach in all these sectors.

The geographic distribution of the Company's portfolio will be supply-led (in terms of compelling investment opportunities) and demand-led (in terms of where the demand for Supported Housing is coming from Local Authority Care Commissioners). The Company expects the vast majority of the Supported Housing accommodation assets it acquires to be based in England but where suitable opportunities arise, the Investment Manager will seek to acquire Supported Housing accommodation assets in other parts of the UK.

### **2.3. A responsible approach**

The Property Manager will take an integrated and responsible approach to underwriting investments through implementing a clear set of target metrics. Firstly, the Property Manager will have target metrics to ensure the strength and quality of the counterparties with which the Company contracts. By seeking out highly rated Registered Providers, the Property Manager expects that the Company will be able to create a portfolio of Supported Housing accommodation assets whilst contracting with strong counterparties. Second, leases will typically be aligned to care packages, nomination agreements or contract lengths balancing the needs of the Registered Providers and investor requirements to create a mutually sustainable model with the aim of providing the appropriate, long-term outcomes for the supported residents. Third, the Property Manager will aim to ensure there is transparency in rent-setting, with appropriate benchmarking against private market rents. Investment value of the assets will be benchmarked against vacant possession value thereby seeking to reduce risk. In addition, the Property Manager will engage with like-minded organisations such as the Social Income Adviser, in order to draw on their expertise and to deliver scale.

### **2.4. Acquisition of contiguous units**

Although the Company has the flexibility, under its investment policy, to acquire a limited amount of other types of real estate assets, it only intends to use this flexibility where such real estate assets are ancillary or contiguous to a Supported Housing accommodation asset e.g. a shop, a gym or a community facility on the ground floor of an apartment block or an education facility with teaching units (for, *inter alia*, classes on cooking or living independently) attached to a Supported Housing accommodation asset.

## **3. THE INVESTMENT PROCESS**

### **3.1. Origination and sourcing investments**

The Property Manager will source investments through a variety of channels, including through its relationships with Local Authority Care Commissioners, Registered Providers and Care Providers (who will indicate areas of particular demand or need), charities, housing associations, developers and banks, in addition to an existing wide-reaching network of investment agency contacts. The Property Manager's relationship with the Social Income Adviser will further enhance the network of contacts in the UK real estate market and in particular the UK's Supported Housing market, through which the Property Manager may source investment opportunities for the Company.

### **3.2. Due diligence and investment approval**

The viability of a particular acquisition or project will be assessed by the Property Manager on the basis of several key metrics, principal among them being the confirmation of Housing Benefit support, the quality and appropriateness of the RP involved, and the CQC rating of the particular Care Provider. In addition, the proposed acquisition will need to satisfy target metrics in terms of rental levels in relation to market rent and investment value compared to an asset's vacant possession value.

Once a potential property opportunity has been identified as a result of the application of the research and advice provided by the Property Manager, initial due diligence on the potential property investment will be undertaken.

In all cases after the initial due diligence phase, the Property Manager will produce a detailed report for each potential investment opportunity being considered, which will (where appropriate) analyse: (i) Local Authority demand/support; (ii) CP and RP counterparties; (iii) rental tone; (iv) lease contract and length; (v) investment metrics; (vi) demand and supply; (vii) form of lease; (viii) loan and hedging options; (ix) rental streams; (x) exit strategies; (xi) asset management opportunities; (xii) ESG considerations; and (xiii) external factors (such as market conditions).

All assets acquired by the Company will be subject to the approval of the BMO REP UK Residential Investment Committee (“UK RIC”) and, where appropriate, the Board. The role of the UK RIC is to provide investment oversight and control for the implementation of the investment strategy and to evaluate and approve all investment transactions for the Company. Where certain events require further expert input, the UK RIC can utilise external advice. The UK RIC does not have ultimate authority and will make recommendations to the Board where the UK RIC approves the Property Manager’s proposal.

### **3.3. Asset underwriting process**

Where the Company assumes direct refurbishment or development risk, the underwriting of all parties involved in a project from professionals in the management team as well as contractors with whom the Company works will be undertaken diligently by the Property Manager.

### **3.4. Underlying portfolio target metrics**

Before any acquisition is made, the Property Manager will assess how inclusion of the asset in the Company’s portfolio will meet the fund’s target metrics. In particular, the Property Manager will seek to ensure the Supported Housing accommodation assets held by the Company are:

- are acquired at appropriate investment values, (being investment values with benchmarked premiums to vacant possession value) and justified in relation to the specification and use of the asset;
- have leases with rents that are benchmarked to the private market and with lengths that are aligned with the underlying care packages and contractual documentation;
- are geographically diversified; and
- are adaptable back into conventional residential use.

### **3.5. Execution**

Where a proposed transaction is proposed by the Property Manager, the Property Manager will perform the appropriate due diligence required, utilising third party professional advisers where needed.

The due diligence reports will be submitted to the BMO REP Investment Committee with a recommendation prepared by the Property Manager comprising a full investment report detailing the fit of a particular transaction to the investment objective and investment policy of the Company, and the potential risks and benefits of proceeding (or not) with any particular opportunity. As appropriate, escalation to seek Board approval will be obtained, for example where the value of an acquisition exceeds the minimum threshold set by the Board from time to time.

If an opportunity is approved by the BMO REP Investment Committee, the Property Manager will conduct the following roles and provision of services to enable the execution of the transaction:

- providing project management and overall control of the transaction, including co-ordinating the work of other professional advisers and service providers, such as agents, surveyors, valuers, lawyers, accountants and tax advisers;
- leading in the negotiations with any third parties (whether buying, selling, refinancing, or otherwise);
- leading in the negotiation and structuring of the transaction (in conjunction with legal and accounting advisers) to ensure it meets the investment policy of the Company and does not detrimentally impact the Company’s status as a REIT;
- leading in the negotiation and structuring of any borrowings on the transaction;

- leading in the preparation and negotiation of any lease, or reviewing the implications of any existing lease; and
- leading in the preparation of final documentation (in conjunction with legal and accounting advisers).

The Company will incur the typical costs of acquiring properties in the UK which will include the purchase price, advisor fees and due diligence costs, as well as the applicable stamp duty liabilities.

### **3.6. Monitoring and reporting**

The Property Manager will continually monitor the progress of the Company's investments. This includes regular site visits and meetings with Registered Providers on an asset-by-asset or portfolio basis, as required, and at a minimum, on an annual basis.

The Investment Manager and the Property Manager will update the Directors on the progress of the Company's investments on a quarterly basis with additional formal contact being made where significant events have occurred which may impact the Company's income, expenditure or NAV.

The Property Manager will oversee the preparation of valuation statements for the Company's portfolio in each quarter (working with professional valuers) and will assist the Company in selecting appropriate valuers.

### **3.7. Ongoing property maintenance costs**

The Company expects that all assets will be let on leases where the Registered Provider or other leasing counterparty takes responsibility for the majority of property maintenance during the period of the lease. It is therefore not anticipated that there will be considerable ongoing property maintenance costs while properties are let and leases are renewed. In addition, it is expected that most assets will be delivered as either new-build, newly converted or newly refurbished therefore it is anticipated that ongoing maintenance costs will be kept to a minimum. However, major structural elements, such as the roof, will be excluded from the lessee's responsibility and as such an allowance will be made for potential capital expenditure to maintain these elements.

### **3.8. Holding and exit**

The intention will be to hold all investments, including developments and forward funded assets, for the long-term. However, by exception, if an external offer is made to the Company and the returns are attractive for investors, the Company may consider selling the asset and reinvesting the proceeds into new assets. In addition, the Property Manager believes that it is important that good sales discipline is maintained, and the Property Manager may therefore take the decision to sell an asset if the property no longer continues to be suitable for use as Supported Housing.

### **3.9. Forward Funding and direct development**

#### **3.9.1. Renovation and forward funding development policy**

The Company will engage in renovating or customising existing homes, or converting existing commercial properties, as necessary and in line with the specifications of the care packages and Registered Provider requirements and in accordance with the Company's investment policy.

The Company will forward fund the development of new Supported Housing accommodation assets when the Investment Manager believes that to do so would enhance returns for Shareholders and/or secure an asset for the Company's portfolio at an attractive yield. Forward funding will only be provided in circumstances in which:

- there is an agreement to lease the relevant property upon completion in place;
- Local Authority Care Commissioner support has been secured;
- planning permission exists in respect of the site; and



- for build periods longer than six months, the Company receives a return on its investment (at least equivalent to the projected income return for the completed asset) during the construction phase and before the start of the lease.

### 3.9.2. *Direct development policy*

The Company may undertake direct development activity and assume direct development risk but any such activity will be limited and will be complementary and ancillary to the Company's wider investment strategy when the Investment Manager believes that to do so would enhance returns for shareholders and/or secure an asset for the Company's portfolio at an attractive yield.

Direct development will only be provided in circumstances in which:

- there is an agreement to lease the relevant property upon completion in place;
- Local Authority Care Commissioner support has been secured;
- planning permission exists in respect of the site; and
- for build periods longer than six months, the Company expects to receive a return on its investment (at least equivalent to the projected income return for the completed asset) during the construction phase.

The Investment Manager believes that the Company's ability to undertake direct development will reduce the development costs for the Company as BMO has specialist capability in this area, negating the need to engage a third party developer. Reduced development costs should (i) allow the Company to charge lower rents while maintaining the target yield, and (ii) reduce the investment value premium to vacant possession value.

### 3.10. **ESG integration**

ESG considerations are a fundamental part of the Investment Manager's and Property Manager's investment process and will be fully integrated into the investment process followed in constructing the Company's property portfolio.

The Company's ESG objectives will be applied and measured throughout the lifecycle of a property from acquisition through refurbishment and operation. The Property Manager will be guided by three core objectives in assessing the ESG credentials of any acquisition and throughout an asset's lifecycle. These are as follows.

- **Appropriate accommodation:** The Property Manager will focus on increasing the Supported Housing accommodation supply for targeted local need and will seek to facilitate person-centred care and offer value for money through tailored lease terms across the UK.
- **Resilient housing:** The Property Manager will seek to create environmentally and operationally efficient homes. On acquisition, the Property Manager will screen the assets for environmental risks and opportunities. On any refurbishment, the Property Manager will consider the sustainability of the refurbishment requirements and will prepare an annual ESG and social impact report on the portfolio.
- **Screening and engagement:** The Property Manager will seek to deliver quality, fit-for-purpose Supported Housing accommodation assets predominantly to highly rated Registered Providers and Care Providers to expand the provision of accommodation in the UK's Supported Housing sector.

The Company has also set a 2040 'net zero' carbon target, progress against which will be detailed in the annual ESG and social impact report prepared for investors by the Company.

## 4. **PORTFOLIO CONSTRUCTION**

The Company's portfolio will consist of detached houses, terraced houses, self-contained flats and bungalows, and apartment buildings, as well as Extra Care accommodation for the elderly within an apartment block often with facilities.

The Investment Manager expects lot sizes to range from £100,000 to £25 million dependant on the segment of Supported Housing in which the asset sits. However, the average lot size is expected to be in the region of £1 million. Such Supported Housing accommodation assets will be sourced primarily from third party partners such as developers and RPs but some may also be sourced directly by BMO and the Social Income Adviser.

The Property Manager expects that, once fully invested, the Supported Housing segment allocation and unit type represented in the Company’s portfolio will be spread across the sub-sectors described below. It is anticipated that the majority of investment will be allocated to Specialised Supported Housing and, in time, Extra Care as these sectors have the greatest level of demand, whereas the remaining three sectors will provide additional diversification and ensure the Company is meeting a wide range of different care needs. Allocation will remain flexible and the portfolio make-up may vary over time.

A diversified approach



Source: BMO REP Property Management Limited. For illustrative purposes only.

Specialised Supported Housing

Specialised Supported Housing provides accommodation to adults aged 18 to 65 years and caters for a range of care needs. Housing is typically provided in self-contained accommodation with some communal amenity and often on-site care and support. Rental income is funded as set out in paragraph 1.1 in Part 3 of this Prospectus.

Extra Care

Extra Care provides accommodation for adults aged 55 and over across a spectrum of care needs. Accommodation is typically self-contained flats with communal facilities. The number of units tends to be greater than for other forms of Supported Housing, with 30 to 100 units contained within one site. Some assets may qualify for exempt rents, whereas in others rents are generally set at affordable levels (80 per cent. of market rent) and housing costs may be subsidised by Homes England grants for this style of accommodation.

Young Persons

Young Persons Supported Housing provides accommodation to adults aged 16 to 25 years. Leasing structures within this sector may involve direct leases with Care Providers given the more specialised nature of the support provided.

Temporary Accommodation

Temporary accommodation provides interim accommodation for adults with support needs, ranging from homelessness, vulnerable persons, individuals with mental health conditions, ex-offenders or victims of domestic abuse. The accommodation will typically consist of housing across the UK, and the Company

may partner with leasing counterparties to fulfil contracts direct from central government as well as working with Local Authorities.

### **Single Service User**

Single Service User accommodation provides accommodation for adults with very complex, often life-long care needs. Accommodation will typically consist of self-contained bungalows with specific adaptations for the individual receiving care. Demand for this type of accommodation is driven principally by the government's Transforming Care agenda.

## **5. INVESTMENT CASE STUDIES**

Set out below are examples of the types of Supported Housing accommodation assets in which the Company could invest in accordance with its investment policy. These case studies also provide an illustration of how the Property Manager's investment process is applied.

### **5.1. Newly refurbished town centre accommodation satisfying all target metrics**

**Investment Principles:** The case for investment was strong as the acquisition was demand led, the care package was aligned with the lease agreement and the asset itself displayed strong real estate fundamentals with a transparent and justifiable investment value. In addition, the rents were, in the Property Manager's view, appropriate and the RP counterparty was of a high quality.

**Investment Outcomes:** The asset was sourced to meet written demand from a Local Authority Care Commissioner and was underpinned by a ten year Local Authority Nominations Agreement covering voids. The RP counterparty was rated as '1' for both viability and governance (the SH Regulator's highest rating) and the asset offered sustainable weekly rent in line with the private market rent. The investment value premium was appropriate to the cost of the property as were the nature of the adaptations required to meet the care needs of the underlying individual tenant.

### **5.2. Newly reconfigured accommodation adapted for long-term care needs**

**Investment Principles:** This standing asset has already been adapted to provide self-contained accommodation for users with learning disabilities and complex behavioural needs. The property is located close to local amenities and with good transport links, and the agreed rents are at a sustainable level.

**Investment Outcomes:** Local Authority Commissioner support has been confirmed and a G1/V1 rated RP counterparty has been identified. The asset offers sustainable income with weekly rents at an appropriate level and a good quality asset catering for long-term demand.

### **5.3. Forward funding of a newly developed scheme with Local Authority support**

**Investment Principles:** A third party developed asset with planning permission secured to provide self-contained accommodation for Specialised Supported Housing. The demand was sourced from the Local Authority commissioning team, with input from Local Authority Care Commissioners on the specification of the property.

**Investment Outcomes:** The Local Authority has provided a care package reflecting the long-term nature of the care needs onsite, and a suitable RP has been identified aligning with the Company's target metrics. The accommodation is providing high quality accommodation adapted to suit long-term care needs

## **6. PIPELINE**

The Investment Manager, on behalf of the Company, has progressed relationships with providers of potential Supported Housing accommodation assets who have the ability to deliver a pipeline with an aggregate value in excess of the targeted fundraise and which are in line with the Company's investment objective and policy. These assets are located throughout the UK and it is intended they will be leased to a diverse number of Registered Providers across a diverse range of sub-sectors within supported accommodation, such as those described in paragraph 4 of this Part 4.

The Investment Manager has already commenced negotiations and discussions concerning the acquisition of such assets for the Company. However, they will be transacted over time and the timetables for any potential completions remain varied and subject to change reflecting the granular nature of the

asset class, the need to align suitable RP's and CP's for the accommodation and complete the necessary legal due diligence.

All potential acquisitions remain subject to the Investment Manager's stringent due diligence process to ensure that the Company only acquires high-quality assets with a view to providing robust, sustainable returns for investors and that are fit for the purpose of addressing the demand for Supported Housing in the UK. The Company currently has no binding contractual obligations with potential vendors but the Investment Manager is confident that sufficient suitable assets will be identified, assessed and acquired to substantially invest or commit the Net Issue Proceeds (assuming Gross Issue Proceeds of £250 million and prior to any borrowings being entered into by the Company) within 12 months following Admission.

## PART 5

### DIRECTORS, MANAGEMENT AND ADMINISTRATION OF THE COMPANY

#### The Directors

The Directors are responsible for the determination of the Company's investment policy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the Company's service providers. All of the Directors are non-executive and are independent of the Investment Manager and the Property Manager. The Directors will meet at least four times per annum.

The Directors may delegate certain functions to other parties such as the Investment Manager, the Company Secretary, the Depositary and the Registrar. In particular, the Directors have delegated responsibility for day to day management of the investments comprised in the Company's portfolio to the Investment Manager. The Investment Manager, which acts as the Company's AIFM, is responsible for overall portfolio and risk management in relation to the investments. The Investment Manager has delegated certain asset management services to the Asset Manager who, in turn, has delegated the provision of property management services to the Property Manager.

The Directors, each of whom is independent and non-executive, are as follows:

#### **Robin Minter-Kemp** (*Chairman*)

Robin previously worked for Cazenove Capital between 2001 and 2013 as Managing Director of Cazenove Investment Management. Ltd. He has 25 years' experience distributing fund management through mainly UK authorised intermediaries. He originally trained as a financial planner with Towry prior to moving to Henderson Global Investors to manage their Bristol office. After moving to London in 1993 he became Group Sales Director for both the Unit Trust and Investment Trust Companies, going on to perform a similar function at HSBC Asset Management, Europe. In 2014 he joined the boards of River & Mercantile plc as Chair of the Remuneration Committee (until 2019) and Rayner Spencer Mills Research Ltd. as non-executive director becoming Chairman in 2018.

#### **Clive Bouch** (*Chairman of the Audit Committee*)

Clive serves as an independent non-executive director of The Ardonagh Group, where he chairs the group audit committee and is a member of the group risk and remuneration committees, the Steamship Mutual Insurance London, Europe and Bermuda Protection & Indemnity Underwriting Associations, where he is a member of the claims, finance and nomination and audit and risk committees, and Walker Crips Group, where he is senior independent director and chairs the audit and remuneration committees. From 2011 through 2019 Clive was an independent non-executive director of Invesco UK Limited where he also chaired the audit and risk committees. Previously he was a partner in leading accountancy firms where he provided audit and advisory services to clients in the financial services industry. He is a Fellow of the Institute of Chartered Accountants in England & Wales, Chartered Fellow of the Chartered Institute for Securities & Investment and a Chartered Insurance Practitioner.

#### **Katie Gordon**

Katie is an independent director and advisor. She has spent most of her career in Socially Responsible Investment (SRI) and corporate marketing. She was Head of SRI at Cazenove Capital Management for 12 years, where she initiated, led and developed the SRI offering. This was followed by five years as Director of Responsible Investment and Stewardship at CCLA. Prior to working in SRI, Katie spent five years in strategic brand management, and was a founding director of Swordfish Integrated Marketing. Previous board positions include trustee of Durrell Wildlife Conservation Trust and board director of the UK SRI trade body, UKSIF (UK Sustainable Investment Forum). Katie is currently a non-executive director of Thrive Renewables and a member of the nominations and remuneration committees; an independent member of the Access Endowment Investment Committee which oversees the total impact portfolio endowed by the Cabinet Office in 2015; is a member of the Advisory Board of LEAP – Livestock, Environment and People – an Oxford University project investigating the health and environmental consequences of meat and dairy consumption; and she is on the Expert Advisory Group for both Snowball Impact Management and the UK's Food Foundation. Additionally Katie acts as an advisor to the global Access to Nutrition Initiative and other not for profit organisations.



**Simon Prichard** (*Senior Independent Director*)

Simon has, since 2015, been Gerald Eve's Senior Partner having joined the Executive Board in 2007 as Strategy Partner. He is responsible for the 600 strong UK workforce and also chairs Gerald Eve International with over 2000 colleagues operating globally. Gerald Eve is a multi-disciplinary real estate advisor which acts for 40 of the FTSE 100. Simon holds a degree in Housing Administration from UWE and started his career at British Airways Staff Housing Association based at Heathrow. He subsequently enrolled at University College of Estate Management in Reading and re-trained as a general practice surveyor whilst at Hambro Bank subsidiary Wright Oliphant before moving to Gerald Eve in 1998. Simon has chaired the influential Senior Leaders Forum ( Windsor Group ) and in 2019 was appointed Chairman of the UK and Ireland World Board of the Royal Institution of Chartered Surveyors to provide insight on the Executive Management Performance. Simon recently served on the academic board of UCEM, chairs Gerald Eve's diversity committee and is surveyor to the Skinners Livery Company and their charities.

**The Investment Manager, Property Manager and the investment management arrangements****The Investment Manager and Property Manager**

The Company has appointed BMO Investment Business Limited as the Company's alternative investment fund manager to provide overall portfolio and risk management services to the Company. The AIFM has delegated certain asset management services to the Asset Manager, who, in turn, has delegated the provision of property management services to the Property Manager. Each of the Investment Manager, the Asset Manager and the Property Manager are part of the BMO Asset Management (Holdings) plc group which is wholly owned by Bank of Montreal and is part of the BMO Global Asset Management group of companies.

Please see paragraph 1 of Part 4 of this document for further information on the management team and their credentials.

***The investment management arrangements***

The Company has appointed BMO Investment Business Limited as its AIFM in accordance with the UK AIFM Laws and has entered into the Management Agreement with the AIFM. Pursuant to the terms of the Management Agreement and for the purposes of the UK AIFM Laws, the AIFM will, *inter alia*, manage the investments and other assets of the Company with the sole responsibility for the portfolio management and risk management of the assets of the Company in each case in accordance with the Company's investment policy. In particular, the AIFM will implement adequate risk management systems in order to identify, measure, manage and monitor appropriately all risks relevant to the Company's investment policy. It will also undertake a valuation at least once a year of the assets within the Company's portfolio in accordance with the UK AIFM Laws. The AIFM is regulated in the conduct of investment business by the FCA. The AIFM is, for the purposes of the UK AIFM Laws and the rules of the FCA, a "full scope" UK alternative investment fund manager with a Part 4A permission for managing AIFs, such as the Company.

The AIFM has delegated certain asset management services to the Asset Manager, who, in turn, has delegated the provision of property management services to the Property Manager.

Details of the fees and expenses payable to the AIFM are set out in the section of this Part 5 headed "*Ongoing annual expenses*".

Further details of the terms of the Management Agreement are set out in paragraph 12.1 of Part 8 of this Prospectus.

***The Social Income Adviser***

The Property Manager and the Company have entered into an advisory agreement with Social Income LLP pursuant to which the Social Income Adviser will assist with, *inter alia*, deal origination and the sourcing of Supported Housing accommodation assets, relationship management with RPs, CPs and the Local Authority Care Commissioners, and managing refurbishment and development of the Company's Supported Housing assets as the Company's portfolio stabilises. The Social Income Adviser's principal fee will be paid by the Property Manager out of its share of the Investment Manager's annual investment management fee payable under the Management Agreement. However, the Company will be responsible for paying certain of the fees in respect of the services provided to the Property Manager under the Social

Income Advisory Agreement to the Social Income Adviser directly, further details of which are set out in the section of this Part 5 headed “*Ongoing annual expenses*”.

Further details of the terms of the Social Income Advisory Agreement are set out in paragraph 12.2 of Part 8 of this Prospectus.

### **Administration and company secretarial arrangements**

Under the terms of the Management Agreement, the Investment Manager is also responsible for providing administration, fund accounting and company secretarial services to the Company.

### **Registrar**

Computershare Investor Services PLC has been appointed to provide registrar services to the Company pursuant to the Registrar Agreement. Under the Registrar Agreement, the Registrar has responsibility for maintaining the register of Shareholders, receiving transfers of Ordinary Shares for certification and registration and receiving and registering Shareholders’ dividend payments together with related services.

### **Depository**

JP Morgan Europe Limited (LEI: 549300EJYMJS22ND8Y17) has been appointed as the Company’s depository. The Depository Agreement which has been entered into between the Company, the Depository and the Investment Manager provides, *inter alia*, that the Depository will carry out the core duties under Article 21 of the EU AIFM Directive which include cash management, safekeeping of assets and general oversight of the Company’s portfolio. The Depository is authorised and regulated by the FCA and is subject to limited regulation by the Prudential Regulation Authority.

The Depository has delegated its obligations in respect of the safe keeping of the Company’s investments to JPMorgan Chase Bank National Association, London branch, an affiliate.

Further details of the terms of the Depository Agreement are set out in paragraph 12.5 of Part 8 of this Prospectus.

### **Fees and expenses**

#### ***Formation and initial expenses***

The formation and initial expenses of the Company are those which are necessary for the incorporation of the Company, Admission and the Issue. These expenses include fees and commissions payable under the Placing and Offer Agreement (including all fees, commissions and expenses payable to Peel Hunt and the Intermediaries), the Sponsor’s fees, the Receiving Agent’s fees, Admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid on or around Admission. The expenses will be written off immediately following Admission. Such costs and expenses have been fixed at two per cent. of the Gross Issue Proceeds. Assuming 250 million Ordinary Shares are issued pursuant to the Issue resulting in Gross Issue Proceeds of £250 million, the costs and expenses of, and incidental to, the formation of the Company and the Issue payable by the Company will be £5 million. The costs and expenses of the Issue will be paid out of the Gross Issue Proceeds and will therefore be borne indirectly by the investors. The Company will not charge investors any separate costs or expenses in connection with the Issue.

Therefore, on the assumption that the Company raises Gross Issue Proceeds of £250 million, the Net Issue Proceeds will be £245 million. On the assumption that the Company raises the Minimum Gross Proceeds under the Issue, the Net Issue Proceeds will be £98 million.

#### ***Ongoing annual expenses***

Ongoing annual expenses will include the following:

- *Investment Manager*

Under the terms of the Management Agreement, the Investment Manager is entitled to an annual fee payable quarterly in arrears by the Company and calculated at the rate of: (i) 0.85 per cent. on that part of the NAV up to and including £250 million; (ii) 0.80 per cent. on that part of the NAV above £250 million up to and including £500 million; (iii) 0.75 per cent. on that part of the NAV above £500 million up to and

including £750 million; (iv) 0.70 per cent. on that part of the NAV above £750 million up to and including £1 billion; and (v) 0.65 per cent. on that part of the NAV above £1 billion. No performance fee is payable to the Investment Manager. The Property Manager will be paid a fee out of the Investment Manager's fee. Neither the Investment Manager nor the Property Manager will be entitled to reimbursement of any out of pocket costs, expenses and charges save for those incurred at the express request of the Board.

- *The Social Income Adviser*

Under the terms of the Social Income Advisory Agreement, the Social Income Adviser is entitled to an acquisition fee payable quarterly in arrears by the Company and calculated as a percentage of the purchase price for the relevant asset and equal to (i) 0.75 per cent. on directly sourced assets and (ii) 0.40 per cent. on all third party sourced assets where the Social Income Adviser leads the underwrite and is materially involved, which will involve, *inter alia*, producing an appropriate report on the asset and co-ordinating third party technical and other appropriate advisors.

Under the terms of the Social Income Advisory Agreement, the Social Income Adviser is also entitled to a project management fee for refurbishment and development activity that it oversees in relation to the Company's Supported Housing assets as instructed by the Property Manager. This is separate to the acquisition fee noted above, is payable by the Company on completion of the refurbishment and/or development activity and will be calculated at the rate of 1.5 per cent. on the cost of all refurbishments, conversions and new builds that the Social Income Adviser directly sources in respect of each project management engagement.

- *Administration and company secretarial*

Under the terms of the Management Agreement, the Investment Manager charges an additional fee of £100,000 plus VAT for the provision of administration and company secretarial services.

- *Depositary*

Under the terms of the Depositary Agreement, the Depositary is entitled to receive a fee for the provision of depositary services to the Company calculated on a quarterly basis at a rate of 1.5 basis points of the quarter end NAV.

- *Registrar*

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account per annum subject to a minimum annual fee. The Registrar is also entitled to certain transaction fees under the Registrar Agreement.

- *Directors*

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Robin Minter-Kemp (Chair) will receive an initial fee of £45,000 per year. Clive Bouch (Audit Committee Chair) will receive an initial fee of £40,000 per year. Simon Prichard (Senior Independent Director) will receive an initial fee of £38,000 per year. Katie Gordon will receive an initial fee of £38,000 per year.

Each of the Directors will also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the business of the Company. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

- *Other operational expenses*

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, finance costs, legal fees (including those incurred on behalf of the Company by the Investment Manager), corporate broking fees, insurance costs, annual London Stock Exchange fees and AIC membership fees. All reasonable out of pocket expenses of the Investment Manager, the Property Manager, the Registrar, the Independent Valuer, the Company's other service providers and the Directors relating to the Company will be borne by the Company.

The AIFM has prepared a key information document required under the UK PRIIPs Regulation in relation to the Ordinary Shares. That regulation requires costs to be calculated and presented in accordance with detailed and prescriptive rules. The key information document is available on the Company's website ([www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk)).

### **Conflicts of interest**

The Investment Manager, Property Manager and Social Income Adviser and their officers and employees may from time to time act for other clients or manage or advise other funds, which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company that are also suitable for one or more of such clients of the Investment Manager, Property Manager or Social Income Adviser or such other funds. The Directors have satisfied themselves that the Investment Manager, Property Manager and Social Income Adviser have procedures in place to address potential conflicts of interest. In accordance with the Management Agreement, in the event of a conflict between the Company and the Investment Manager or its delegates, the Investment Manager is obliged to take reasonable steps to ensure that the conflict is resolved fairly, in accordance (so far as applicable in the circumstances) with applicable FCA rules. The Investment Manager is obliged to notify the Company of any actual or potential conflict of interest which it identifies in relation to the performance of its duties and shall discuss with the Company how such conflict of interest is to be managed.

The Investment Manager, Property Manager and Social Income Adviser and any of their directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an “**Interested Party**”) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

### **Corporate governance**

The Board of the Company has considered the principles and recommendations of the AIC Code. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code, which has been endorsed by the Financial Reporting Council, will provide more relevant information to Shareholders. With effect from Admission, the Company intends to comply with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to: the role of the chief executive; executive directors' remuneration; and the need for an internal audit function. The Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company and the Company does not, therefore, intend to comply with them. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations.

### **Independence**

The Board, of which Robin Minter-Kemp is Chairman, consists solely of non-executive Directors. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed.

New Directors will receive an induction from the Investment Manager and the Company Secretary on joining the Board and all Directors will receive other relevant training as necessary.

### ***Appointment and re-election of Directors***

Each Director is subject to the election/re-election provisions set out in the Articles which provide that Directors shall stand for election by Shareholders at the first annual general meeting after their appointment. Thereafter the Directors are required to retire at every annual general meeting of the Company and may, if willing to continue to act, be elected or re-elected at that meeting or may offer himself or herself for re-appointment by the members.

The Board intends to appoint a fifth Director following Admission. It is anticipated that the individual will be independent and appointed in accordance with the Board's policy on appointing new Directors. Any appointment will be based on merit and objective criteria and, within this context, will promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

### ***Board and Directors' performance appraisal***

The performance of the Board committees and individual Directors will be evaluated through an annual assessment process, led by the Chairman. The performance of the Chairman will be evaluated by the other Directors.

The Board is supported by the Audit Committee, the Management Engagement Committee and the Remuneration and Nomination Committee, all of which have written terms of reference (which will be reviewed at least annually) that clearly define their responsibilities and duties. The Board also intends to establish an ESG Committee following Admission.

### ***Audit Committee***

The Company's Audit Committee will be chaired by Clive Bouch, consist of all the Directors and will meet at least three times a year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee will examine the effectiveness of the Company's risk management and internal control systems. It will review the half-yearly and annual reports and also receive information from the AIFM and the Property Manager. It will also review the scope, results, cost effectiveness and the quality of the audit and the audit process together with the independence and objectivity of the external auditor.

### ***Management Engagement Committee***

In accordance with the AIC Code, the Company has established a Management Engagement Committee which will be chaired by Simon Prichard and consist of all the Directors. The Management Engagement Committee will meet at least once a year or more often if required. The Management Engagement Committee will be responsible for the regular review of the terms of the Management Agreement and other service providers' agreements and the performance of the Investment Manager, the Property Manager, the Social Income Adviser, the Company Secretary and the Company's other service providers.

### ***Remuneration and Nomination Committee***

The Company's Remuneration and Nomination Committee consists of all the Directors and is chaired by Clive Bouch. The Remuneration and Nomination Committee will meet at least once a year or more often if required. The Remuneration and Nomination Committee's functions include: (i) agreeing the policy for the remuneration of the Directors and reviewing any proposed changes to the policy; (ii) reviewing and considering *ad hoc* payments to the Directors in relation to duties undertaken over and above normal business; (iii) if required, appointing advisers to provide independent professional remuneration advice; (iv) ensuring that the Board has an appropriate balance of skills and experience to carry out its duties; (v) identifying and nominating to the Board new Directors; and (vi) proposing that existing Directors be re-elected. The Remuneration and Nomination Committee undertakes an annual performance evaluation of the Board, led by the Chairman of the Remuneration and Nomination Committee.

The Company has appointed Simon Prichard as Senior Independent Director. The Senior Independent Director will provide a sounding board for the Chairman and serve as an intermediary for the other directors and Shareholders.



**ESG Committee**

Following Admission, the Company also intends to establish an ESG Committee, which will consist of all the Directors and will be chaired by Katie Gordon. It is intended that the ESG Committee will meet at least twice a year. The ESG Committee's functions are expected to include: (i) reviewing all ESG and impact reports published by the Company; (ii) setting specific ESG KPIs; and (iii) monitoring the Company's overall performance against these KPIs.

**UK MAR and the Disclosure Guidance and Transparency Rules**

As a company whose shares will be admitted to trading on the London Stock Exchange's main market, the Company will comply with all of the provisions of UK MAR and the Disclosure Guidance and Transparency Rules which are applicable to it. The Directors have adopted a share dealing code that is compliant with UK MAR. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors and any other persons discharging managerial responsibilities ("PDMRs").

## **PART 6**

### **THE ISSUE**

#### **1. INTRODUCTION**

The Company is targeting an issue of up to 250 million Ordinary Shares pursuant to the Issue at the Issue Price of 100 pence per Ordinary Share. In this Prospectus, the Placing, Offer for Subscription and the Intermediaries Offer are together referred to as the “Issue”. The Directors have reserved the right, with the consent of Peel Hunt and the Sponsor, to increase the size of the Issue to a maximum of 300 million Ordinary Shares if overall demand exceeds 250 million Ordinary Shares. The actual number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, are not known as at the date of this Prospectus but will be notified by the Company through a Regulatory Information Service announcement prior to Admission. The Issue is not being underwritten. The maximum Issue size should not be taken as an indication of the number of Ordinary Shares to be issued.

The aggregate proceeds of the Issue, after deduction of expenses, are expected to be £245 million on the assumption that the Gross Issue Proceeds are £250 million.

#### **2. REASONS FOR THE ISSUE AND USE OF PROCEEDS**

The Issue is being made in order to provide investors with the opportunity to invest in a diversified portfolio of fit-for-purpose Supported Housing accommodation assets across the UK, let or pre-let to registered charities, housing associations, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government, predominantly on index-linked leases (as described in the Company’s investment objective and policy set out in Part 2 of this Prospectus) through the medium of a REIT.

The Company will use the Net Issue Proceeds to acquire investments in accordance with the Company’s investment objective and policy.

#### **3. THE PLACING**

Peel Hunt has agreed to use its reasonable endeavours to procure subscribers pursuant to the Placing for the Ordinary Shares on the terms and subject to the conditions set out in the Placing and Offer Agreement. Details of the Placing and Offer Agreement are set out in paragraph 12.3 of Part 8 of this Prospectus.

The terms and conditions which shall apply to any subscription for Ordinary Shares procured by Peel Hunt are set out in Part 10 of this Prospectus. The Placing will close at 5.00 p.m. on 30 September 2021 (or such later date, not being later than 31 December 2021, as the Company, Peel Hunt and the Sponsor may agree). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for the Ordinary Shares under the Placing and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, the Sponsor and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

Commitments under the Placing, once made, may not be withdrawn without the consent of the Directors.

#### **4. THE OFFER FOR SUBSCRIPTION**

The Directors are also proposing to offer Ordinary Shares under the Offer for Subscription, subject to the terms and conditions of the Offer for Subscription set out in Part 11 of this Prospectus. These terms and conditions and the Offer for Subscription Application Form attached as Appendix 1 to this Prospectus

should be read carefully before an application is made. The Offer for Subscription will close at 11.00 a.m. on 30 September 2021. If the Offer for Subscription is extended, the revised timetable will be notified through a Regulatory Information Service in the UK.

Applications under the Offer for Subscription must be for Ordinary Shares at the Issue Price, being 100 pence per Ordinary Share. The aggregate subscription price is payable in full on application. Individual applications must be for a minimum subscription of 1,000 Ordinary Shares and then in multiples of 1,000 Ordinary Shares thereafter, although the Board may accept applications below the minimum amounts stated above in its absolute discretion. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

Completed Application Forms (accompanied either by a cheque or banker's draft or appropriate delivery versus payment ("**DVP**") instructions or bank transfer) in relation to the Offer for Subscription must be posted to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH, so as to be received as soon as possible and, in any event, no later than 11.00 a.m. on 30 September 2021.

In addition to completing and returning the Application Form to the Receiving Agent, applicants intending to hold Ordinary Shares in certificated form will also need to complete and return a Tax Residency Self Certification Form. The "Tax Residency Self-Certification Form (Individuals)" form can be found at Appendix 2 of this Prospectus. Further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from the Receiving Agent on 0370 707 1439. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot give any financial, legal or tax advice.

It is a condition of any application under the Offer for Subscription that a completed version of the relevant Tax Residency Self-Certification Form is provided with the Application Form before any Application under the Offer for Subscription can be accepted, with the exception of any investors that are paying for their subscription through CREST on a DvP basis, as no Tax Residency Self-Certification Form will be required for DvP CREST investors to accompany the duly completed Application Form.

Offer for Subscription Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company at the time of receipt. Attempts may be made to contact the relevant applicant and it will be the Company's decision, in its sole discretion, whether these Application Forms can be accepted under the Offer for Subscription.

Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

Please also refer to the section below headed "*CREST*".

Applications may be rejected in whole or in part at the sole discretion of the Company. If the Offer for Subscription is extended, the revised timetable will be notified through a Regulatory Information Service announcement.

## **5. THE INTERMEDIARIES OFFER**

Investors may also subscribe for Ordinary Shares at the Issue Price of 100 pence per Ordinary Share pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom, Jersey, Guernsey and the Isle of Man are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries to be accepted as their client.

No Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, Jersey, Guernsey or the Isle of Man. A minimum application of 1,000 Ordinary Shares per Underlying Applicant will apply and thereafter an Underlying Applicant may apply for any higher amount. Allocations to Intermediaries will be determined solely by the Company (following consultation with Peel Hunt).

An application for Ordinary Shares in the Intermediaries Offer means that the Underlying Applicant agrees to acquire the Ordinary Shares applied for at the Issue Price. Each Underlying Applicant must comply with the appropriate money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for Ordinary Shares. Where an application is not accepted or there are insufficient Ordinary Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the Underlying Applicant as required and all such refunds shall be made without interest. The Company, the Investment Manager, Peel Hunt and the Sponsor accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms and provide for the payment of a commission and/or fee (to the extent permissible by the rules of the FCA) to Intermediaries from the Intermediaries Offer Adviser acting on behalf of the Company if such Intermediary elects to receive a commission and/or fee. Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom, Jersey, Guernsey and the Isle of Man, subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and will not be reviewed or approved by any of the Company, the Investment Manager, Peel Hunt, or the Sponsor. Any liability relating to such documents shall be for the relevant Intermediaries only.

The Intermediaries Terms and Conditions provide for the Intermediaries to have an option (where the payment of such commission and/or fee is not prohibited) to be paid a commission and/or fee by Peel Hunt (acting on behalf of the Company) where it has elected to receive such commission and/or fee in respect of the Ordinary Shares allocated to and paid for by them pursuant to the Intermediaries Offer.

## **6. CONDITIONS TO THE ISSUE**

The Issue is conditional, *inter alia*, on:

- the Placing and Offer Agreement becoming wholly unconditional in respect of the Issue (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission;
- Admission having become effective on or before 8.00 a.m. on 5 October 2021 or such later time and/or date as the Company, Peel Hunt and the Sponsor may agree (being not later than 8.00 a.m. on 31 December 2021); and
- the Minimum Net Proceeds being raised (or such lesser amount as the Company and Peel Hunt may determine and notify to investors through a Regulatory Information Service announcement and a supplementary prospectus including a working capital statement based on a revised minimum net proceeds figure).

The Directors also have the discretion not to proceed with the Issue, even if all of the above conditions (including raising the Minimum Net Proceeds) have been met. If the Issue does not proceed (due to the Minimum Net Proceeds not being raised or otherwise), any monies received under the Issue will be returned to applicants without interest within 14 days at the applicants' risk.

## **7. SCALING BACK AND ALLOCATION**

The Directors have reserved the right, with the consent of Peel Hunt and the Sponsor, to increase the size of the Issue to up to 300 million Ordinary Shares if overall demand exceeds 250 million Ordinary Shares.

In the event that commitments under the Issue exceed the maximum number of Ordinary Shares available, applications under the Issue will be scaled back at the discretion of Peel Hunt, in consultation with the Company and the Sponsor, in such amounts as they consider appropriate.

There will be no priority given to applications under the Placing, applications under the Offer for Subscription or applications under the Intermediaries Offer pursuant to the Issue.

The Company reserves the right to decline in whole or in part an application for Ordinary Shares pursuant to the Issue. Accordingly, applicants for Ordinary Shares may, in certain circumstances, not be allotted the number of Shares for which they applied.

## **8. FRACTIONS**

Fractions of Ordinary Shares will not be issued under the Issue. If (other than on a scaling back) the amount of subscription monies received by the Company in relation to an application for Ordinary Shares exceeds the aggregate subscription price, at the Issue Price, of the Ordinary Shares issued pursuant to such application, such excess amount (which will never exceed the Issue Price) will be retained for the benefit of the Company.

## **9. THE MAIN MARKET AND THE OFFICIAL LIST**

Upon admission to the main market of the London Stock Exchange, the Company will be subject to the UK Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules and UK MAR. Upon admission to the Official List, the Company will also be subject to the continuing obligations of the Listing Rules and the Admission and Disclosure Standards of the London Stock Exchange.

## **10. THE PLACING AND OFFER AGREEMENT**

The Placing and Offer Agreement contains provisions entitling Peel Hunt to terminate the Issue (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to each applicant without interest within 14 days at the applicant's risk.

The Placing and Offer Agreement provides for Peel Hunt to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Issue. Any Ordinary Shares subscribed for by Peel Hunt may be retained or dealt in by it for its own benefit.

Under the Placing and Offer Agreement, Peel Hunt is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Issue. Peel Hunt is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Issue to any or all of those agents out of its own resources.

Further details of the terms of the Placing and Offer Agreement are set out in paragraph 2.3 of Part 8 of this Prospectus.

## **11. COSTS OF THE ISSUE**

The costs and expenses of, and incidental to, the formation of the Company and the Issue which are to be met by the Company have been fixed at two per cent. of the Gross Issue Proceeds such that the NAV per Share at Admission will be 98 pence. Therefore, if Gross Issue Proceeds of £250 million are raised under the Issue, the Net Issue Proceeds will be £245 million.

The Company will not charge investors any separate costs or expenses in connection with the Issue.

All expenses incurred by any Intermediary pursuant to the Intermediaries Offer are for its own account. Prospective investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.

## **12. DILUTION**

No dilution will result from the Issue. One Ordinary Share is held by Mr Marrack Tonkin (a director of the Investment Manager), for the purposes of incorporating the Company.



### **13. GENERAL**

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents (and their agents) may require evidence in connection with any application for Ordinary Shares, including further identification of the applicant(s), before any Ordinary Shares are issued to that applicant.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The Directors (in consultation with Peel Hunt) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Ordinary Shares under the Issue.

### **14. ADMISSION, CLEARING AND SETTLEMENT**

Applications will be made to the Financial Conduct Authority for all of the Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the premium segment of the London Stock Exchange's main market. It is expected that Admission will become effective and dealings will commence on 5 October 2021.

Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Ordinary Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched by post at the risk of recipients to the relevant holders within 10 Business Days of Admission. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfer of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

The ISIN number of the Ordinary Shares is GB00BMYX1W70 and the SEDOL code is BMYX1W7.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the NAV per Share.

Dealings in the Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

### **15. CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

### **16. MATERIAL INTERESTS**

There are no interests that are material to the Issue and no conflicting interests.

### **17. PROFILE OF A TYPICAL INVESTOR**

The Ordinary Shares are designed to be suitable for institutional investors and professionally-advised private investors. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio.

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 who are unsure whether to invest should consider consulting a financial adviser authorised under FSMA to assess whether an investment in the Company is suitable.

#### **18. OVERSEAS PERSONS**

Potential investors in any territory other than the United Kingdom should refer to the notices set out in the section entitled “*Important Information*” of this Prospectus.

The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares under the Issue if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

## PART 7

### REIT STATUS AND TAXATION

#### 1. THE UK REIT REGIME

##### 1.1. General

- 1.1.1. The summary of the UK REIT Regime below is intended to be a general guide only and constitutes a high-level summary of the Company's understanding of certain aspects of current UK law and HMRC practice relating to the UK REIT Regime, each of which is subject to change, possibly with retrospective effect. It is not an exhaustive summary of all applicable legislation in relation to the REIT Regime.
- 1.1.2. Investing in property through a UK taxable corporate investment vehicle has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholder may effectively bear tax twice on the same income: first, indirectly, when the corporate investment vehicle pays corporation tax on its profits, and secondly, directly (subject to any available exemption or with the benefit of a tax credit) when the shareholder receives a dividend. UK non-tax paying entities, such as UK pension funds, could bear tax indirectly when investing through a taxable closed-ended corporate vehicle that is not a REIT, which they would not suffer if they were to invest directly in the property assets.
- 1.1.3. As a UK REIT, a company will not pay UK corporation tax on income or capital gains derived from its Property Rental Businesses in the UK and elsewhere, provided that certain conditions are satisfied. Instead, distributions in respect of its Property Rental Business will be treated for UK tax purposes as UK property income in the hands of shareholders. Paragraph 2 of this Part 7 contains further detail on the UK tax treatment of shareholders in a REIT.
- 1.1.4. An exemption from corporation tax on chargeable gains also applies for REITs on a disposal of shares, where the company disposed of is UK property rich. "**UK Property rich**" broadly means that the company in question derives 75 per cent. or more of its value from interests in UK land. This exemption for disposals of shares in companies that are UK property rich applies on a proportionate basis, by reference to the proportion which the value of the UK property rental business assets of the company disposed of bears to that company's total assets (as at the beginning of the accounting period in which the disposal takes place). As such, a gain on a disposal of shares in a subsidiary whose sole activity is the carrying on of a UK property rental business, with all of its assets held for the purposes of that UK property rental business, should generally be treated as a gain arising from the REIT's Property Rental Business and benefit in full from the exemption. Any such gains would be treated as exempt gains of the Property Rental Business and would therefore be treated as a PID when paid to shareholders and be subject to 20 per cent. withholding tax (subject to certain exceptions).
- 1.1.5. A company will remain subject to UK corporation tax in the normal way in respect of any income and gains from any activities not included in the Property Rental Business (the "**Residual Business**").
- 1.1.6. While within the REIT Regime, the Property Rental Business will be treated as a separate business for corporation tax purposes from the Residual Business. As such, a loss incurred by the qualifying Property Rental Business cannot be set off against profits of the Residual Business (and vice versa).
- 1.1.7. A dividend paid by the Company relating to profits or gains of its Property Rental Business is referred to as a "Property Income Distribution" or "PID". Other normal dividends paid by the Company (including dividends relating to the Residual Business) are referred to as Non-PID Dividends. Both PIDs and Non-PID Dividends may be satisfied by stock dividends. Paragraph 2 of this Part 7 contains further detail on the UK tax treatment of shareholders in a REIT.

- 1.1.8. In this Prospectus, references to a company's accounting period are to its accounting period for UK corporation tax purposes. This period can differ from a company's accounting period for other purposes.

## 1.2. Qualification as a REIT

- 1.2.1. A company becomes a UK REIT by serving notice on HMRC before the beginning of the first accounting period for which it wishes to become a REIT. In order to qualify as a REIT, the company must satisfy certain conditions set out in the REIT Regime. A non-exhaustive summary of the material conditions is set out below.

### 1.2.2. *Company conditions*

The Company must be solely UK resident for tax purposes, its shares must be admitted to trading on a recognised stock exchange and it must not be an open-ended investment company. The Company's shares must either be listed on a recognised stock exchange throughout each accounting period or traded on a recognised stock exchange in each accounting period. This listing/traded requirement is relaxed in the first three accounting periods. The Company must also not be a close company (the "**close company condition**") subject to a limited exception. In summary, the close company condition amounts to a requirement that the company cannot be under the control of five or fewer participators (meaning generally shareholders or loan creditors), or of participators who are directors subject to certain exceptions. A close company that is only close because it has a participator which is an "institutional investor" under the REIT Regime will not violate the close company condition. The close company condition is relaxed for the Company's first three years.

### 1.2.3. *Share capital restrictions*

The Company must have only one class of ordinary share in issue. The only other shares it may issue are non-voting restricted preference shares, including shares which would be non-voting restricted preference shares but for the fact that they carry a right of conversion into shares or securities in the Company.

### 1.2.4. *Borrowing restrictions*

The Company must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets (subject to exceptions). In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

### 1.2.5. *Conditions for the Property Rental Business (including the balance of business conditions)*

The Company must satisfy, among other things, the following conditions in respect of each accounting period during which the Company is to be treated as a REIT:

- (i) the Property Rental Business must throughout the accounting period involve at least three properties;
- (ii) throughout the accounting period no one property may represent more than 40 per cent. of the total value of the properties involved in the Property Rental Business;
- (iii) the profits arising from the Property Rental Business must represent at least 75 per cent. of the Company's total profits for the accounting period (the "**75 per cent. profits condition**"). Profits for this purpose means profits before deduction of tax and excluding, broadly, gains and losses on the disposal of property and gains and losses on the revaluation of properties, and certain exceptional items; and

- (iv) at the beginning of the accounting period the value of the assets in the Property Rental Business must represent at least 75 per cent. of the total value of assets held by the Company (the “**75 per cent. assets condition**”). Cash and the value of UK REIT shares are included in the value of the assets relating to the Property Rental Business for the purpose of meeting this condition.

#### 1.2.6. *Distribution condition*

The Company will be required (to the extent permitted by law) to distribute to shareholders (by way of cash or stock dividend), on or before the filing date for the principal company's tax return for the accounting period in question, at least 90 per cent. of its income profits (broadly, calculated using normal UK corporation tax rules and excluding any realised or unrealised gains or losses) in respect of its Property Rental Business (the “**90 per cent. distribution condition**”) together with all of the Company's UK REIT investment profits (broadly dividends received from other REITs in which the Company holds shares). For the purpose of satisfying the 90 per cent. distribution condition, any dividend withheld in order to comply with the 10 per cent. rule (as described below) will be treated as having been paid.

### 1.3. **Investing in other REITS**

There is an exemption from UK corporation tax for distributions of profits or gains of the Property Rental Business of one REIT to another REIT. The investing REIT is required to distribute 100 per cent. of such distributions to its shareholders. The investment by one REIT in another REIT will effectively be treated as a Property Rental Business asset for the purposes of the 75 per cent. assets condition.

### 1.4. **Effect of becoming a REIT**

#### 1.4.1. *Tax exemption*

As a REIT, the Company will not pay UK corporation tax on profits and gains from the Property Rental Business. Corporation tax will still apply in the normal way in respect of the Residual Business. Since 6 April 2019, gains on a disposal by a REIT of shares in a property owning subsidiary which is UK property rich are treated as exempt gains from the REIT's Property Rental Business, but it should be noted that this exemption applies only on a proportionate basis, with the proportion of the gain that is exempted being the same as the proportion which the value of the UK property rental business assets of the company disposed of bears to that company's total assets (as at the beginning of the accounting period in which the disposal takes place).

Corporation tax will still apply in the normal way in respect of the Residual Business. The Company will also continue to pay all other applicable taxes including VAT, stamp duty land tax, stamp duty, PAYE, rates and national insurance contributions in the normal way.

#### 1.4.2. *Dividends*

When the Company pays a dividend out of profits from the Property Rental Business, that dividend must be paid as a PID to the extent necessary to satisfy the 90 per cent. distribution condition and the requirement to distribute UK REIT investment profits. If the dividend exceeds the amount required to satisfy that test, then depending on the exact position of the business (e.g. any requirement to pay further PIDs before a Non-PID dividend can be paid) the REIT may determine that all or part of the balance is a Non-PID Dividend. Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the UK tax treatment of certain categories of shareholder while the company is in the REIT Regime are contained in paragraph 2 of this Part 7.

If the Company ceases to be a REIT, dividends paid by the Company may nevertheless be PIDs to the extent they are paid in respect of profits and gains of the Property Rental Business arising whilst the Company was within the REIT Regime.



#### 1.4.3. *Interest cover ratio*

A tax charge will arise to a REIT if, in respect of any accounting period, the ratio of income profits (subject to certain adjustments) to financing costs is less than 1.25:1. The amount (if any) by which the financing costs exceed the amount of those costs which would cause that ratio to equal 1.25:1 (subject to a cap of 20 per cent. of the income profits) is generally chargeable to corporation tax. HMRC has the power to waive such corporation tax charge if it is satisfied that: (i) the Company was in severe financial difficulties at a time in the relevant accounting period; (ii) the ratio is less than 1.25:1 as a result of circumstances that arose unexpectedly; and (iii) in those circumstances the Company could not reasonably have taken action to avoid such a result.

#### 1.4.4. *The “10 per cent. rule”*

The Company may become subject to an additional tax charge if it makes a distribution to, or in respect of, a person beneficially entitled, directly or indirectly, to 10 per cent. or more of the Company's distributions or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the Company. Shareholders should note that this tax charge only applies where a distribution is made (or attributed) to persons that are companies or are treated as bodies corporate in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement, or in accordance with such a double taxation agreement. It does not generally apply where a nominee has such a 10 per cent. or greater holding unless the persons on whose behalf the nominee holds the shares meet the test in their own right.

The additional charge will not be imposed on the company where it has taken reasonable steps to prevent paying such an excessive distribution to, or in respect of, a Substantial Shareholder. HMRC guidance describes certain actions that a REIT may take to show it has taken such “reasonable steps”. One of these actions is to include restrictive provisions in the REIT's articles of association to address this requirement, and the Articles therefore contain provisions designed to avoid the situation where distributions may become payable to a Substantial Shareholder. These provisions are summarised in paragraph 3 of this Part 7.

There are proposals for the “10 per cent rule” to be relaxed from 1 April 2022 for shareholders who are entitled to gross payment of distributions from the REIT. Should these proposals be enacted, it may be possible for the Company to consider an amendment to the Articles so that the restrictive provisions outlined above would not apply in relevant circumstances.

#### 1.4.5. *Property development and property trading by a REIT*

A property in relation to which development has been undertaken by the Company can be within the Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of: (a) the date on which the relevant company becomes a member of a REIT, and (b) the date of the acquisition of the development property, and the REIT sells the development property within three years of completion of the development, the property will be treated as never having been part of the Property Rental Business for the purposes of calculating any profits arising on disposal of the property. Any profit will be chargeable to corporation tax as part of its Residual Business.

If the Company disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Property Rental Business for the purposes of calculating any profit arising on disposal of the property. Any profit will generally be chargeable to corporation tax as part of its Residual Business.

#### 1.4.6. *Movement of assets in and out of Property Rental Business*

In general, where an asset owned by the Company and used for the Property Rental Business begins to be used for the Residual Business, there will be a tax exempt market value disposal of the asset. Where an asset owned by the Company and used for the

Residual Business begins to be used for the Property Rental Business, this will generally constitute a taxable market value disposal of the asset for UK corporation tax purposes, except for certain capital allowances purposes.

#### 1.4.7. *Joint ventures*

The REIT Regime also makes certain provisions for corporate joint ventures. If the Company is beneficially entitled to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company are available to equity holders in the event of a winding up, that joint venture company (or its subsidiaries) is carrying on a Property Rental Business which satisfies the 75 per cent. profits condition and the 75 per cent. assets condition (the “**JV company**”) and certain other conditions are satisfied, the principal company may, by giving notice to HMRC, elect for the assets and income of the JV company to be included in the Property Rental Business for tax purposes (on a proportionate basis). In such circumstances, the income and assets of the JV company will count towards the 90 per cent. distribution condition and the 75 per cent. profits condition, and its assets will count towards the 75 per cent. assets condition (on a proportionate basis).

#### 1.4.8. *Acquisitions and takeovers*

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the applicable conditions continue to be met, continue to be entitled to the tax exemptions in respect of the profits of its Property Rental Business and capital gains on disposal of properties in the Property Rental Business.

The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT and will therefore be treated as leaving the REIT Regime at the end of that accounting period to benefit from tax exemptions on the profits of its Property Rental Business and capital gains on disposal of property forming part of its Property Rental Business. The properties in the Property Rental Business are treated as having been sold and re-acquired at market value for the purposes of UK corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax exempt as they are deemed to have been made at a time when the acquired REIT was still in the REIT Regime and future capital gains on the relevant assets will therefore be calculated by reference to a base cost equivalent to this market value. If the acquired REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be re-characterised retrospectively as normal dividends.

#### 1.4.9. *Certain tax avoidance arrangements*

If HMRC believes that a REIT company has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. In addition, if HMRC consider that the circumstances are sufficiently serious or if two or more notices in relation to the obtaining of a tax advantage are issued by HMRC in a 10 year period, they may require a company to exit the REIT Regime.

### 1.5. **Exit from the REIT Regime**

A company can give notice to HMRC that it wants to leave the REIT Regime at any time. The Board retains the right to decide that the company should exit the REIT Regime at any time in the future without shareholder consent if it considers this to be in the best interests of the Company.

If a company voluntarily leaves the REIT Regime within ten years of joining and within two years of leaving disposes of any property that was involved in its Property Rental Business, any uplift in the base cost of the property as a result of the deemed disposals on entry into and exit from the REIT Regime (or as a movement from the Property Rental Business to the Residual Business) is disregarded in calculating the gain or loss on the disposal.

It is important to note that it cannot be guaranteed that the Company will comply with all of the REIT conditions and that the REIT Regime may cease to apply in some circumstances.

Shareholders and/or prospective investors should note that it is possible that the Company could lose its status as a REIT as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a REIT) or other circumstances outside the Company's control.

#### 1.6. **REIT provisions in the Articles**

The Articles contain provisions designed to enable the Company to demonstrate to HMRC that it has taken "reasonable steps" to avoid paying a dividend (or making any other distribution) to any Substantial Shareholder.

A summary of these provisions is set out in paragraph 3 of this Part 7.

## 2. **UK TAXATION**

### 2.1. **Introduction**

The following paragraphs are intended as a general guide only to certain aspects of current UK tax law and HMRC published practice, each of which may change, possibly with retrospective effect. They apply only to certain Shareholders resident for UK tax purposes (and, in the case of individuals, domiciled) in the UK, save where express reference is made to non-UK resident persons. They do not constitute tax advice.

The following paragraphs are not applicable to all categories of Shareholders, and in particular are not addressed to (i) Shareholders who do not hold their Ordinary Shares as investments or who are not the absolute beneficial owners of those shares or dividends in respect of those shares; (ii) Shareholders who own (or are deemed to own) ten per cent. or more of the Ordinary Shares or voting power or entitlement to distributions of the Company; (iii) special classes of Shareholders such as dealers in securities, broker-dealers, insurance companies, trustees of certain trusts and persons entitled to certain tax exemptions; (iv) Shareholders who hold Ordinary Shares as part of hedging or commercial transactions; (v) Shareholders who hold Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or otherwise); and (vi) Shareholders who hold Ordinary Shares acquired by reason of any office or employment. Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so. Non-UK resident Shareholders should note that they may be subject to UK tax on any chargeable gains arising on a disposal of Ordinary Shares.

### 2.2. **UK taxation of Non-PID Dividends**

#### 2.2.1. *General*

The Company will not be required to withhold tax at source when paying a Non-PID Dividend to any Shareholder (whether in cash or in the form of a stock dividend).

#### 2.2.2. *Individual Shareholders*

UK tax-resident individual Shareholders who receive a Non-PID Dividend from the Company in respect of the tax year 2021/2022 will be entitled to an annual tax-free allowance of £2,000 (to the extent that this tax-free allowance has not already been utilised in respect of other dividends received by the Shareholder). To the extent that dividend income exceeds the annual tax free dividend allowance, tax will be imposed at the rates of 7.5 per cent. to the extent falling within the basic rate, 32.5 per cent. to the extent falling within the higher rate and 38.1 per cent. to the extent falling within the additional rate.

#### 2.2.3. *Corporate Shareholders*

Shareholders who are subject to UK corporation tax will be subject to corporation tax on Non-PID Dividends paid by the Company, unless the Non-PID Dividends fall within an

exempt class set out in Part 9A of the Corporation Tax Act 2009 and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular Shareholder, although it is expected that the Non-PID Dividends paid by the Company would normally be exempt.

## **2.3. UK taxation of PIDs**

### **2.3.1. General**

Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate of income tax (currently 20 per cent.) from its PIDs (whether paid in cash or in the form of a stock dividend). The Company will provide Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

### **2.3.2. UK taxation of individual Shareholders**

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profits of a single UK property business (as defined in section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any PID from any other company to which Part 12 of the CTA 2010 applies, treated as profits of a UK property business which is separate from any other UK property business carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's other UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder's UK property business.

UK individuals may be entitled to a £1,000 property income allowance in respect of the tax year 2021/2022. Where the individual's property income falls below the threshold the individual is entitled to full relief from income tax on that amount. However, this allowance does not apply to PIDs.

Where UK income tax has been withheld at source, individual Shareholders who are resident in the UK for tax purposes may, depending on their circumstances, either be liable to further tax on their PIDs at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PIDs.

### **2.3.3. UK taxation of corporate Shareholders**

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are subject to UK corporation tax as profits of a UK property business (as defined in Part 4 of the Corporation Tax Act 2009). This means that, subject to the availability of any exemptions or reliefs, such Shareholders should be liable to UK corporation tax on the entire amount of their PID. A PID is, together with any PID from any other company to which Part 12 of the CTA 2010 applies, treated as profits of a UK property business which is separate from any other UK property business carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be off set against a PID as part of a single calculation of the Shareholder's UK property profits.

Shareholders who are subject to corporation tax will generally be liable to pay corporation tax on PIDs received. If income tax is withheld at source the tax withheld can generally be set against their liability to UK corporation tax in the accounting period in which the PID is received.

### **2.3.4. UK taxation of Shareholders who are not resident for tax purposes in the UK**

Where a Shareholder who is resident outside the UK receives a PID, the PID will generally be subject to withholding by the Company at the basic rate of income tax.

It is not possible for a Shareholder to make a claim under a relevant double taxation treaty with the UK for a PID to be paid by the Company gross or at a reduced rate. However, the Shareholder may be able to claim repayment of any part of the tax withheld from a PID, depending on the existence and terms of any such double taxation treaty between the UK and the country in which the Shareholder is resident for tax purposes.

#### 2.3.5. *Exceptions to the requirement to withhold income tax*

Shareholders should note that, in certain circumstances, the Company may not be obliged to withhold UK income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, a company resident for tax purposes outside the UK with a permanent establishment in the UK which is required to bring the PID into account in computing its chargeable profits, or certain charities. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, or the sub-scheme administrator of certain pension sub-schemes or the account manager of an ISA, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme or account.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company may require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Registrar), where applicable. Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

### 2.4. **UK taxation of chargeable gains**

#### 2.4.1. *General*

A sale or other disposal of Ordinary Shares by a Shareholder may give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains, depending on the Shareholder's particular circumstances and subject to any available exemption or relief.

It should be noted that new legislation introduced in the Finance Act 2019 (the “**2019 NRCGT Rules**”) means that, since 6 April 2019, a non-UK resident person disposing of shares in a company that is UK property rich is chargeable to UK capital gains (in the case of an individual) or UK corporation tax on chargeable gains (in the case of companies or entities treated as companies) in respect of that disposal. Where the shares disposed of are shares in a “**collective investment vehicle**”, or otherwise have a relevant connection with a collective investment vehicle, then unless the non-UK resident investor is an overseas life assurance company or non UK resident collective investment vehicle there is no minimum level of shareholding required in order for the non-resident to fall within the new rules.

The Company is considered to be UK property rich for these purposes and is also a collective investment vehicle. As such, non-UK resident Shareholders disposing of Ordinary Shares may, depending on their circumstances, be required to pay UK tax on any chargeable gain arising on that disposal (or, if relevant, may realise an allowable loss) under the 2019 NRCGT Rules.

A non-UK resident that makes (or is treated as making) a disposal of Ordinary Shares will generally be required to provide a tax return to HMRC and account for any tax due in respect of any chargeable gain. Depending on the Shareholder's particular circumstances, exceptions from the requirement to file a tax return in relation to a disposal of Ordinary Shares may apply in certain cases where no tax would be required to be accounted for or where the disposal has already been accounted for on a tax return.

Non-UK resident Shareholders should seek independent professional advice as to the consequences of the 2019 NRCGT rules for them, in particular with regard to their obligations to file UK tax returns and pay UK tax in relation to disposals of Ordinary Shares. It should be noted that non-UK resident Shareholders may, depending on their circumstances, also be subject to non-UK tax, in their jurisdiction of tax residence, on disposals of Ordinary Shares. Non-UK resident Shareholders should seek independent professional advice as to whether any relief is available under applicable double tax treaties or whether any other exemptions or reliefs are available.



UK resident individuals are generally entitled to an annual exemption from capital gains tax. This is £12,300 for the tax year 2021/2022. This annual exemption will generally also be available to non-UK resident individual Shareholders who, as a result of the 2019 NRCGT Rules, come within the charge to UK capital gains tax on disposals of the Ordinary Shares.

#### 2.4.2. *Ordinary Shares acquired pursuant to the Placing, Offer for Subscription and the Intermediaries Offer*

The issue of Ordinary Shares pursuant to the Placing, Offer for Subscription and the Intermediaries Offer will not constitute a reorganisation of the share capital of the Company for the purposes of UK taxation of chargeable gains and, accordingly, will generally be treated as a separate acquisition of shares with the price paid for those Ordinary Shares constituting their base cost.

### 2.5. **UK stamp duty and SDRT**

No UK stamp duty or SDRT should arise on the issue of Ordinary Shares pursuant to the Issue.

Any conveyance or transfers on sale of Ordinary Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer, subject to the availability of certain exemptions and reliefs. The purchaser normally pays the stamp duty (rounded up to the nearest £5).

An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If an instrument of transfer is executed pursuant to the agreement and duly stamped within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is generally repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Ordinary Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

A market value charge to UK stamp duty applies to transfers of listed securities by a person (or its nominee) to a connected company (or its nominee), subject to the availability of relief. A market value charge to SDRT applies to unconditional agreements to transfer listed securities in the same circumstances unless the SDRT charge is cancelled, as outlined above. Ordinary Shares will be listed securities for these purposes if they are admitted to trading on the main market of the London Stock Exchange.

### 2.6. **ISAs, SIPPs and SSASSs**

Ordinary Shares acquired by a UK resident individual Shareholder pursuant to an offer to the public (i.e. through the Offer for Subscription, or the Intermediaries Offer or in the secondary market (but not directly under the Placing)) should be eligible to be held in an ISA, subject to applicable annual subscription limits.

Subject to the rules of the particular SIPP or SSAS, the Ordinary Shares should be eligible for inclusion provided, broadly, that the pension scheme member (or an associated or connected person) does not occupy or use any residential property held by the Company and the SIPP or SSAS in question does not hold (directly or indirectly) more than 10 per cent. of any of the Ordinary Shares or the Company's voting rights or rights to income or amounts on a distribution or rights to the assets on a winding up.

Individuals wishing to invest in Ordinary Shares through an ISA, SIPP or SSAS should contact their professional advisers regarding their eligibility.

### **3. DESCRIPTION OF THE REIT PROVISIONS INCLUDED IN THE ARTICLES**

#### **3.1. Introduction**

The Articles contain provisions designed to enable the Company to demonstrate to HMRC that it has taken “reasonable steps” to avoid paying a dividend (or making any other distribution) to any Substantial Shareholder.

If a distribution is paid to a Substantial Shareholder and the Company has not taken reasonable steps to avoid doing so, the Company would become subject to a UK corporation tax charge.

The Articles contain special articles for this purpose (the “**Special Articles**”). The text of the Special Articles is set out in paragraph 4 of this Part 7.

The Special Articles:

- 3.1.1. provide Directors with powers to identify its Substantial Shareholders (if any);
- 3.1.2. prohibit the payment of dividends on Ordinary Shares that form part of a Substantial Shareholding, unless certain conditions are met;
- 3.1.3. allow dividends to be paid on Ordinary Shares that form part of a Substantial Shareholding where the Shareholder has disposed of its rights to dividends on its Ordinary Shares; and
- 3.1.4. seek to ensure that if a dividend is paid on Ordinary Shares that form part of a Substantial Shareholding and arrangements of the kind referred to in the preceding paragraph are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend.

The effect of the Special Articles is explained in more detail below.

#### **3.2. Identification of Substantial Shareholders**

The share register of the Company records the legal owner and the number of Ordinary Shares they own but does not identify the persons who are beneficial owners of the Ordinary Shares or are entitled to control the voting rights attached to the Ordinary Shares or are beneficially entitled to dividends. While the requirements for the notification of interests in shares provided in Part VI of the Companies Act and the Board’s rights to require disclosure of such interests (pursuant to Part 22 of the Companies Act and Article 14 of the Articles) should assist in the identification of Substantial Shareholders, those provisions are not on their own sufficient.

Accordingly, the Special Articles require a Substantial Shareholder and any registered Shareholder holding Ordinary Shares on behalf of a Substantial Shareholder to notify the Company if their Ordinary Shares form part of a Substantial Shareholding. Such a notice must be given within two business days. The Special Articles give the Board the right to require any person to provide information in relation to any Ordinary Shares in order to determine whether the Ordinary Shares form part of a Substantial Shareholding. If the required information is not provided within the time specified (which is seven days after a request is made or such other period as the Board may decide), the Board is entitled to impose sanctions, including withholding dividends (as described in paragraph 3.3 below) and/or requiring the transfer of the Ordinary Shares to another person who is not, and does not thereby become, a Substantial Shareholder (as described in paragraph 3.6 below).

#### **3.3. Preventing payment of a dividend to a Substantial Shareholder**

The Special Articles provide that a dividend will not be paid on any Ordinary Shares that the Board believes may form part of a Substantial Shareholding unless the Board is satisfied that the Substantial Shareholder is not beneficially entitled to the dividend.

If in these circumstances payment of a dividend is withheld, the dividend will be paid subsequently if the Board is satisfied that:

- the Substantial Shareholder concerned is not beneficially entitled to the dividends (see also paragraph 3.4 below);

- the shareholding is not part of a Substantial Shareholding;
- all or some of the Ordinary Shares and the right to the dividend have been transferred to a person who is not, and does not thereby become, a Substantial Shareholder (in which case the dividends will be paid to the transferee); or
- sufficient Ordinary Shares have been transferred (together with the right to the dividends) such that the Ordinary Shares retained are no longer part of a Substantial Shareholding (in which case the dividends will be paid on the retained Ordinary Shares).

For this purpose references to the “transfer” of an Ordinary Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Ordinary Share.

### 3.4. **Payment of a dividend where rights to it have been transferred**

The Special Articles provide that dividends may be paid on Ordinary Shares that form part of a Substantial Shareholding if the Board is satisfied that the right to the dividend has been transferred to a person who is not, and does not thereby become, a Substantial Shareholder and the Board may be satisfied that the right to the dividend has been transferred if it receives a certificate containing appropriate confirmations and assurances from the Substantial Shareholder. Such a certificate may apply to a particular dividend or to all future dividends in respect of Ordinary Shares forming part of a specified Substantial Shareholding, until notice rescinding the certificate is received by the Company. A certificate that deals with future dividends will include undertakings by the person providing the certificate:

- to ensure that the entitlement to future dividends will be disposed of; and
- to inform the Company immediately of any circumstances which would render the certificate no longer accurate.

The Directors may require that any such certificate is copied or provided to such persons as they may determine, including HMRC.

If the Board believes a certificate given in these circumstances is or has become inaccurate, then it will be able to withhold payment of future dividends (as described above). In addition, the Board may require a Substantial Shareholder to pay to the Company the amount of any tax payable (and other costs incurred) as a result of a dividend having been paid to a Substantial Shareholder in reliance on the inaccurate certificate. The Board may require a sale of the relevant Ordinary Shares and retain the amount claimed from the proceeds.

Certificates provided in the circumstances described above will be of considerable importance to the Company in determining whether dividends can be paid. If the Company suffers loss as a result of any misrepresentation or breach of undertaking given in such a certificate, it may seek to recover damages directly from the person who has provided it. Any such tax may also be recovered out of dividends to which the Substantial Shareholder concerned may become entitled in the future.

The effect of these provisions is that there is no restriction on a person becoming or remaining a Substantial Shareholder provided that the person who does so makes appropriate arrangements to divest itself of the entitlement to dividends.

### 3.5. **Trust arrangements where rights to dividends have not been disposed of by a Substantial Shareholder**

The Special Articles provide that if a dividend is in fact paid on Ordinary Shares forming part of a Substantial Shareholding (which might occur, for example, if a Substantial Shareholding is split among a number of nominees and is not notified to the Company prior to a dividend payment date) the dividends so paid are to be held on trust by the recipient for any person (who is not a Substantial Shareholder) nominated by the Substantial Shareholder concerned. The person nominated as the beneficiary could be the purchaser of the Ordinary Shares if the Substantial Shareholder is in the process of selling down their holding so as not to cause the Company to

breach the Substantial Shareholder rule. If the Substantial Shareholder does not nominate anyone within 12 years, the dividend concerned will be held on trust for the Company or such charity as the Board may nominate.

If the recipient of the dividend passes it on to another without being aware that the Ordinary Shares in respect of which the dividend was paid were part of a Substantial Shareholding, the recipient will have no liability as a result. However, the Substantial Shareholder who receives the dividend should do so subject to the terms of the trust and as a result may not claim to be beneficially entitled to those dividends.

### 3.6. **Mandatory sale of Substantial Shareholdings**

The Special Articles also allow the Board to require the disposal of Ordinary Shares forming part of a Substantial Shareholding if:

- a Substantial Shareholder has been identified and a dividend has been announced or declared and the Board has not been satisfied that the Substantial Shareholder has transferred the right to the dividend (or otherwise is not beneficially entitled to it);
- there has been a failure to provide information requested by the Board; or
- any information provided by any person proves materially inaccurate or misleading.

In these circumstances, if the Company incurs a charge to tax as a result of one of these events, the Board may, instead of requiring the Shareholder to dispose of the Ordinary Shares, arrange for the sale of the relevant Ordinary Shares and for the Company to retain from the sale proceeds an amount equal to any tax so payable.

### 3.7. **Takeovers**

The Special Articles do not prevent a person from acquiring control of the Company through a takeover or otherwise, although as explained above, such an event may cause the Company to cease to qualify as a REIT.

### 3.8. **Other**

The Special Articles also give the Company power to require any Shareholder who applies to be paid dividends without any tax withheld to provide such certificate as the Board may require to establish the Shareholder's entitlement to that treatment.

The Special Articles may be amended by special resolution passed by the Shareholders in the future, including to give powers to the Directors to ensure that the Company can comply with the close company condition described in this Part 7, which powers may include the ability to arrange for the sale of Ordinary Shares on behalf of Shareholders.

## 4. **THE SPECIAL ARTICLES**

### **"Real Estate Investment Trust**

#### **152 Cardinal principle**

152.1. It is a cardinal principle that, for so long as the Company qualifies for UK REIT status or is the principal company of a group UK real estate investment trust (a "**group UK REIT**") for the purposes of Part 12 of the CTA 2010, as such Part may be modified, supplemented or replaced from time to time, the Company or no member of the Group should be liable to pay tax under section 551 CTA 2010 (as such section may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution.

152.2. These Articles 152.1 to 152.31 inclusive support such cardinal principle by, among other things, imposing restrictions and obligations on the shareholders of the Company and, indirectly, certain other persons who may have an interest in the Company, and shall be construed accordingly so as to give effect to such cardinal principle.

152.3. For the purposes of Articles 152.1 to 152.31 inclusive

**business day** means a day (not being a Saturday or Sunday) on which banks are normally open for business in London;

**CTA 2010** means the Corporation Tax Act 2010;

**Distribution** means any dividend or other distribution by the Company ("distribution" being construed in accordance with Part 23 of the CTA 2010), and references to a Distribution being paid include a distribution not involving a cash payment being made;

**Distribution Transfer** means a disposal or transfer (however effected) by a Person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a Distribution and no Person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not) is (whether as a result of the transfer or not) a Substantial Shareholder;

**Distribution Transfer Certificate** means a certificate in such form as the board may specify from time to time to the effect that the relevant Person has made a Distribution Transfer, which certificate may be required by the board to satisfy it that a Substantial Shareholder is not beneficially entitled (directly or indirectly) to a Distribution;

**Excess Charge** means, in relation to a Distribution which is paid or payable to a Person, all tax or other amounts which the board considers may become payable by the Company or any other member of the Group under section 551 CTA 2010 (as such section may be modified, supplemented or replaced from time to time) and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution being paid to or in respect of that Person;

**Group** means the Company and the other companies in its group for the purposes of section 606 CTA 2010 (as such section may be modified, supplemented or replaced from time to time);

**HMRC** means HM Revenue & Customs;

**interest in the Company** includes, without limitation, an interest in a Distribution made or to be made by the Company;

**Person** includes a body of persons, corporate or unincorporated, wherever domiciled;

**REIT** means a company qualifying for UK tax purposes as a real estate investment trust in accordance with Part 12 of The Corporation tax Act 2010;

**Relevant Registered Shareholder** means a shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder);

**Reporting Obligation** means any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Company's or Group's status as a REIT,

**Substantial Shareholding** means the shares in the Company in relation to which or by virtue of which (in whole or in part) a Person is a Substantial Shareholder;

**Substantial Shareholder** means any Person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause any member of the Group to be liable to pay tax under section 551 CTA 2010 (as such section may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such Person including, at the date of adoption of Articles 152.1 to 152.31 inclusive, any holder of excessive rights as defined in the section 553 CTA 2010;



In the event of conflict with defined terms elsewhere in these Articles, the definitions in this Article 152.3 shall apply.

- 152.4. Where under Articles 152.1 to 152.31 inclusive any certificate or declaration may be or is required to be provided by any Person (including, without limitation, a Distribution Transfer Certificate), such certificate or declaration may be required by the board (without limitation)
  - 152.4.1. to be addressed to the Company, the board or such other Persons as the board may determine (including HMRC);
  - 152.4.2. to include such information as the board considers is required for the Company to comply with any Reporting Obligation;
  - 152.4.3. to contain such legally binding representations and obligations as the board may determine;
  - 152.4.4. to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;
  - 152.4.5. to be copied or provided to such Persons as the board may determine (including HMRC), and
  - 152.4.6. to be executed in such form (including as a deed or deed poll) as the board may determine.
- 152.5. Articles 152.1 to 152.31 inclusive shall apply notwithstanding any provisions to the contrary in any other Article (including, without limitation, Articles 121 to 130 inclusive).
- 152.6. Each shareholder and any other relevant Person shall serve notice in writing on the Company at the office on:
  - 152.6.1. his becoming a Substantial Shareholder or his being a Substantial Shareholder on the date Articles 152.1 to 152.31 inclusive come into effect (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to, details of the identity of the shareholder(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the board may require from time to time);
  - 152.6.2. his becoming a Relevant Registered Shareholder or being a Relevant Registered Shareholder on the date Articles 152.1 to 152.31 inclusive come into effect (together with such details of the relevant Substantial Shareholder and such other information, certificates or declarations as the board may require from time to time); and
  - 152.6.3. any change to the particulars contained in any such notice, including on the relevant Person ceasing to be a Substantial Shareholder or a Relevant Registered Shareholder.

Any such notice shall be delivered by the end of the second business day after the day on which the Person becomes a Substantial Shareholder or a Relevant Registered Shareholder (or the date Articles 152.1 to 152.31 inclusive come into effect, as the case may be) or the change in relevant particulars or within such shorter or longer period as the board may specify from time to time any Substantial Shareholder who fully discharged all obligations to give notice under any predecessor version of this Article 152.6 shall not be required to serve notice on the Company under this Article 152.6 solely by virtue of this version of Article 152.6 coming into effect.

- 152.7. The board may at any time give notice in writing to any Person requiring him, within such period as may be specified in the notice (being seven (7) days from the date of service of the notice or such shorter or longer period as the board may specify in the notice), to deliver to the Company at the office such information, certificates and

declarations as the board may require to establish whether or not he is a Substantial Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such Person shall deliver such information, certificates and declarations within the period specified in such notice.

152.8. In respect of any Distribution, the board may, if the board determines that the condition set out in Article 152.9 is satisfied in relation to any shares in the Company, withhold payment of such Distribution on or in respect of such shares. Any Distribution so withheld shall be paid as provided in Article 152.9 and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.

152.9. The condition referred to in Article 152.8 is that, in relation to any shares in the Company and any Distribution to be paid or made on and in respect of such shares:

152.9.1. the board believes that such shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and

152.9.2. the board is not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid,

and, for the avoidance of doubt, if the shares comprise all or part of a Substantial Shareholding in respect of more than one Substantial Shareholder this condition is not satisfied unless it is satisfied in respect of all such Substantial Shareholders.

152.10. If a Distribution has been withheld on or in respect of any shares in the Company in accordance with Article 152.8, it shall be paid as follows:

152.10.1. if it is established to the satisfaction of the board that the condition in Article 152.9 is not satisfied in relation to such shares, in which case the whole amount of the Distribution withheld shall be paid;

152.10.2. if the board is satisfied that sufficient interests in all or some of the shares concerned, including the rights to the Distribution attributable to such shares, have been transferred to a third party so that such transferred shares no longer form part of the Substantial Shareholding, in which case the Distribution attributable to such shares shall be paid (provided the board is satisfied that following such transfer such shares concerned do not form part of a Substantial Shareholding); and

152.10.3. if the board is satisfied that as a result of a transfer of interests in shares referred to in (ii) above the remaining shares no longer form part of a Substantial Shareholding, in which case the Distribution attributable to such shares shall be paid.

In this Article 152.10, references to the transfer of an interest in a share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that share. The board shall be entitled to require such information, certificates or declarations as they think fit for the purposes of this Article 152.10.

152.11. A Substantial Shareholder may satisfy the board that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The board shall be entitled to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the board shall be entitled to require such other information, certificates or declarations as they think fit.

152.12. The board may withhold payment of a Distribution on or in respect of any shares in the Company if any notice given by the board pursuant to Article 152.7 in relation to such shares shall not have been complied with to the satisfaction of the board within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the board unless the board withholds payment

pursuant to Article 152.8 and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.

- 152.13. If the board decides that payment of a Distribution should be withheld under Article 152.8 or 152.12, they shall, within 5 business days, give notice in writing of that decision to the Relevant Registered Shareholder.
- 152.14. If any Distribution shall be paid on a Substantial Shareholding and an Excess Charge becomes payable, the Substantial Shareholder shall pay the amount of such Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company on demand by the Company. Without prejudice to the right of the Company to claim such amount from the Substantial Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to Article 152.21 or out of any subsequent Distribution in respect of the shares to such Person or to the shareholders of all shares in relation to or by virtue of which the board believes that Person has an interest in the Company (whether that Person is at that time a Substantial Shareholder or not).
- 152.15. If a Distribution is paid on or in respect of a Substantial Shareholding (except where the Distribution is paid in circumstances where the Substantial Shareholder is not beneficially entitled to the Distribution), the Distribution and any income arising from it shall be held by the payee or other recipient to whom the Distribution is transferred by the payee on trust absolutely for the Persons nominated by the relevant Substantial Shareholder under Article 152.16 in such proportions as the relevant Substantial Shareholder shall in the nomination direct or, subject to and in default of such nomination being validly made within 12 years after the date the Distribution is made, for the Company or such other Person or charity as may be nominated by the board from time to time.
- 152.16. The relevant Substantial Shareholder of shares of the Company in respect of which a Distribution is paid shall be entitled to nominate in writing any two or more Persons (not being Substantial Shareholders) to be the beneficiaries of the trust on which the Distribution is held under Article 152.15 and the Substantial Shareholder may in any such nomination state the proportions in which the Distribution is to be held on trust for the nominated Persons, failing which the Distribution shall be held on trust for the nominated Persons in equal proportions. No Person may be nominated under Articles 152.1 to 152.31 inclusive who is or would, on becoming a beneficiary in accordance with the nomination, become a Substantial Shareholder. If the Substantial Shareholder making the nomination is not by virtue of Article 152.15 the trustee of the trust, the nomination shall not take effect until it is delivered to the Person who is the trustee.
- 152.17. Any income arising from a Distribution which is held on trust under Article 152.15 shall until the earlier of (i) the making of a valid nomination under Article 152.16 and (ii) the expiry of the period of 12 years from the date when the Distribution is paid be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place.
- 152.18. No Person who by virtue of Article 152.15 holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.
- 152.19. No Person who by virtue of Article 152.15 holds a Distribution on trust shall be liable for any breach of trust unless due to his own wilful fraud or wrongdoing or, in the case of an incorporated Person, the fraud or wilful wrongdoing of its directors, officers or employees.

152.20. If at any time, the board believes that:

- 152.20.1. in respect of any Distribution declared or announced, the condition set out in Article 152.9 is satisfied in respect of any shares in the Company in relation to that Distribution;
- 152.20.2. a notice given by the board pursuant to Article 152.7 in relation to any shares in the Company has not been complied with to the satisfaction of the board within the period specified in such notice; or
- 152.20.3. any information, certificate or declaration provided by a Person in relation to any shares in the Company for the purposes of Articles 152.1 to 152.31 inclusive were materially inaccurate or misleading,

the board may give notice in writing (a Disposal Notice) to any Persons they believe are Relevant Registered Shareholders in respect of the relevant shares requiring such Relevant Registered Shareholders within twenty-one (21) days of the date of service of the Disposal Notice (or such longer or shorter time as the board considers to be appropriate in the circumstances) to dispose of such number of shares the board may in such Disposal Notice specify or take such other steps as will cause the condition set out in Article 152.9 to no longer be satisfied. The board may, if it thinks fit, withdraw a Disposal Notice

152.21. If:

- 152.21.1. the requirements of a Disposal Notice are not complied with to the satisfaction of the board within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or
- 152.21.2. a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable,

the board may arrange for the Company to sell all or some of the shares to which the Disposal Notice relates or, as the case may be, that form part of the Substantial Shareholding concerned. For this purpose, the board may make such arrangements as it deems appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of any relevant share and, in the case of an uncertificated share, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant share through a relevant system.

152.22. Any sale pursuant to Article 152.21 above shall be at the price which the board considers is the best price reasonably obtainable and the board shall not be liable to the holder or holders of the relevant share for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.

152.23. The net proceeds of the sale of any share under Article 152.21 (less any amount to be retained pursuant to Article 152.14 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant share upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.

152.24. The title of any transferee of shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to Articles 152.1 to 152.31 inclusive.

152.25. The board shall be entitled to presume without enquiry, unless any director has reason to believe otherwise, that a Person is not a Substantial Shareholder or a Relevant Registered Shareholder.

152.26. The board shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular Person) pursuant to Articles 152.1 to 152.31 inclusive and any such determination or decision shall be final and binding on all Persons unless and until it is revoked or

changed by the board. Any disposal or transfer made or other thing done by or on behalf of the board or any director pursuant to Articles 152.1 to 152.31 inclusive shall be binding on all Persons and shall not be open to challenge on any ground whatsoever.

- 152.27. Without limiting their liability to the Company, the board shall be under no liability to any other Person, and the Company shall be under no liability to any shareholder or any other Person, for identifying or failing to identify any Person as a Substantial Shareholder or a Relevant Registered Shareholder.
- 152.28. The board shall not be obliged to serve any notice required under Articles 152.1 to 152.31 inclusive upon any Person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error or failure to give any notice to any Person upon whom notice is required to be served under Articles 152.1 to 152.31 inclusive shall not prevent the implementation of or invalidate any procedure under those Articles.
- 152.29. The provisions of Articles 140 to 145 inclusive shall apply to the service upon any Person of any notice required by Articles 152.1 to 152.31 inclusive. Any notice required by Articles 152.1 to 152.31 inclusive to be served upon a Person who is not, a shareholder or upon a Person who is a shareholder but whose address is not within an EEA State, shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that Person or shareholder at the address if any at which the board believes him to be resident or carrying on business or, in the case of a holder of depository receipts or similar securities, to the address, if any, in the register of holders of the relevant securities. Service shall, in such a case be deemed to be effected on the day of posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.
- 152.30. Any notice required or permitted to be given, pursuant to Articles 152.1 to 152.31 inclusive may relate to more than one share and shall specify the share or shares to which it relates.
- 152.31. The board may require from time to time any Person who is or claims to be a Person to whom a Distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such certificates or declarations as they may require from time to time."



## PART 8

### GENERAL INFORMATION

#### 1. THE COMPANY AND ITS SERVICE PROVIDERS

- 1.1 The Company was incorporated with the name Responsible Housing REIT plc in England and Wales on 30 July 2021 as a public company limited by shares under the Companies Act with registered number 13539728. The Company has an indefinite life.
- 1.2 The Company's registered office and principal place of business is Exchange House, 12 Primrose Street, London EC2A 2NY (telephone number +44 (0)20 7628 8000) and its website address is [www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk). Information on the Company's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus. The Company's LEI is 213800AUZ52FFDTHZ656.
- 1.3 The principal legislation under which the Company operates is the Companies Act and regulations from time to time made thereunder. As a real estate investment trust, the Company will not be (and is not required to be) registered or authorised as a collective investment scheme by the FCA. However, from Admission, the Ordinary Shares will be admitted to the premium segment of the Official List of the FCA and to trading on the premium segment of the main market of the London Stock Exchange. The Company will be subject to the Listing Rules, the UK Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the rules of the London Stock Exchange. The Company will operate in conformity with its constitution.
- 1.4 In accordance with the Companies Act, the objects of the Company are unrestricted save that the Company will operate as a closed-ended investment company and a real estate investment trust pursuant to Part 12 of the Corporation Tax Act 2010.
- 1.5 Save for entry into of the material contracts summarised in paragraph 12 of this Part 8, the Company has not commenced operations since incorporation and, as at the date of this Prospectus, no financial statements have been made up and no dividends have been declared by the Company.
- 1.6 The Company's accounting period will end on 30 September of each year. The first accounting period will end on 30 September 2022. The annual report and accounts will be prepared in Sterling according to the accounting standards laid out under IFRS.
- 1.7 On 6 September 2021, the Company was granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.8 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to section 833 of the Companies Act.
- 1.9 The Company is in the process of appointing its statutory auditor and expects to appoint its preferred firm, BDO LLP of 55 Baker Street, London, W1U 7EU shortly following Admission. BDO LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.
- 1.10 The Company is domiciled in England and Wales and, as at the date of this Prospectus does not have any employees or any subsidiaries.
- 1.11 The AIFM, Investment Manager and Company Secretary, BMO Investment Business Limited, is a private limited company incorporated in Scotland under the Companies Act on 1 June 1994 with registered number SC151198. The AIFM's registered office is 6th Floor Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG and its telephone number is +44 (0)131 718 1000. The AIFM is an authorised investment manager subject to regulation by the FCA (firm registration number 177896).

- 1.12 The Property Manager, BMO REP Property Management Limited, is a private limited company incorporated in England and Wales under the Companies Act on 3 September 2012 with registered number 08198483. The Property Manager's registered office is 7 Seymour Street, London W1H 7JW, its telephone number is +44 (0)20 7499 224.
- 1.13 The Social Income Adviser is a limited liability partnership incorporated in England and Limited Liability Partnerships Act 2000 on 27 August 2021 with registered number OC438926. The Social Income Adviser's registered office is 4 Arthur Road, Farnham, Surrey, England, GU9 8PB.
- 1.14 The Depositary is a private limited company incorporated in England and Wales under the Companies Act on 18 September 1968 with registered number 00938937. The Depositary's registered office is 25 Bank Street, Canary Wharf, London E14 5JP and its LEI is 549300EJYMJS22ND8Y17.
- 1.15 The Independent Valuer is a private limited company incorporated in England and Wales under the Companies Act on 25 October 1974 with registered number 01188567. The Independent Valuer's registered office is 30 Warwick Street, London, W1B 5NH and its telephone number is +44 (0)20 7493 4933.
- 1.16 The Registrar and Receiving Agent is a public company limited by shares incorporated in England and Wales under the Companies Act on 20 January 1998 with registered number 03498808. The Registrar's registered office is The Pavilions, Bridgwater Road, Bristol BS13 8AE and its telephone number is +44 (0)370 707 1439.

## 2. SHARE CAPITAL

- 2.1 On incorporation, one Ordinary Share was issued (fully paid) for the purposes of incorporation to the subscriber to the Company's memorandum of association. On 17 August 2021, 50,000 Redeemable Preference Shares were issued at par to the Investment Manager. The Redeemable Preference Shares are paid up in full.
- 2.2 Set out below is the issued share capital of the Company: (i) as at the date of this Prospectus; and (ii) immediately following the Issue (assuming the Issue is in respect of 250 million Ordinary Shares):

		<i>Ordinary Shares</i>		<i>Redeemable Preference Shares</i>	
		<i>Aggregate Nominal Value (£)</i>		<i>Aggregate Nominal Value (£)</i>	
			<i>Number</i>		<i>Number</i>
(i)	As at the date of this Prospectus	0.01	1	50,000	50,000
(ii)	Immediately following the Issue*	2,500,000	250,000,000	—	—

\* All Ordinary Shares will be fully paid at Admission. The Redeemable Preference Shares will be redeemed immediately following Admission out of the proceeds of the Issue. The Ordinary Shares are not redeemable.

- 2.3 By ordinary and special resolutions passed on 17 August 2021, the Directors were authorised as follows:
- 2.3.1 generally and unconditionally, pursuant to section 551 of the Companies Act to allot the Redeemable Preference Shares, having the rights and being subject to the restrictions set out in the Articles, up to an aggregate nominal value of £50,000, provided that this authority was limited to the allotment of up to 50,000 Redeemable Preference Shares for the purposes of enabling the Company to obtain the certificate to commence trading under section 761 of the Companies Act, such authority to expire immediately following Admission;
- 2.3.2 generally and unconditionally, pursuant to section 551 of the Companies Act, to allot Ordinary Shares and to grant rights to subscribe for or to convert any securities into Ordinary Shares up to an aggregate nominal value of £3 million (being 300 million Shares) pursuant to the Issue, such authority expiring on 30 September 2022;
- 2.3.3 pursuant to sections 570 and 573 of the Companies Act, to allot equity securities (as defined in section 560 of the Companies Act), including the grant of rights to subscribe for, or to

convert into, Ordinary Shares, for cash pursuant to the authority set out in paragraph 2.3.2 above, on the basis that the statutory pre-emption rights in sub-section 561(1) of the Companies Act do not apply to such allotment of equity securities, such authority expiring on 30 September 2022 and being limited to the allotment of equity securities up to an aggregate nominal amount of £3 million;

- 2.3.4 in addition to the authority to allot Ordinary Shares set out in paragraph 2.3.2 above and in accordance with section 551 of the Companies Act, to allot Ordinary Shares and to grant rights to subscribe for Ordinary Shares up to an aggregate nominal amount representing up to 20 per cent. of the Ordinary Shares in issue immediately following Admission such authority to expire, unless previously revoked, varied or renewed by the Company at a general meeting, at the conclusion of the first annual general meeting of the Company;
- 2.3.5 in addition to the power referred to in paragraph 2.3.3 above and subject to and in accordance with sections 570 and 573 of the Companies Act, to allot equity securities (within the meaning of section 560 of the Companies Act), including the grant of rights to subscribe for, or to convert into, Ordinary Shares, for cash pursuant to the authority set out in paragraph 2.3.4 above, on the basis that the statutory pre-emption rights in sub-section 561(1) of the Companies Act do not apply to such allotment of equity securities, such authority to expire, unless previously revoked, varied or renewed by the Company at a general meeting, at the conclusion of the first annual general meeting of the Company;
- 2.3.6 to exercise all powers of the Company to make market purchases (within the meaning of section 696(4) of the Companies Act) of up to 14.99 per cent. of the Ordinary Shares in issue as at Admission on such terms and in such manner as the Directors may from time to time determine, such authority to expire, unless previously revoked, varied or renewed by the Company at a general meeting, at the conclusion of the first annual general meeting of the Company provided that the Company may, at any time prior to the expiry of this authority, enter into a contract or contracts under which a purchase of Ordinary Shares under this authority will or may be completed or executed wholly or partly after the expiration of this authority and the Company may purchase Ordinary Shares in pursuance of any such contract or contracts as if this authority had not expired; and
- 2.3.7 conditional upon Admission occurring and subject to the confirmation and approval of the Court, to cancel the amount standing to the credit of the share premium account of the Company at the time the relevant order is issued by the Court, and to credit the amount of the share premium account so cancelled to a special reserve.
- 2.4 The provisions of section 561(1) of the Companies Act, which, to the extent not disapplied pursuant to Sections 570 and 573 of the Companies Act, confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities which are to be paid up in cash, apply to the issues by the Company of equity securities save to the extent disapplied by the special resolutions noted at paragraphs 2.3.3 and 2.3.5 above.
- 2.5 The disapplication of statutory pre-emption rights in the terms provided under the special resolutions noted at paragraphs 2.3.3 and 2.3.5 above gives the Company the flexibility to allot and issue a limited amount of Ordinary Shares or resell Ordinary Shares which it holds in treasury for cash without first being required to offer such Ordinary Shares to existing Shareholders in proportion to their existing holdings.
- 2.6 The Articles do not contain any provision expressly limiting the number of Ordinary Shares that can be issued by the Company.
- 2.7 In accordance with the authority referred to in paragraph 2.3.2 above, it is expected that the Ordinary Shares to be issued pursuant to the Issue will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission in accordance with the Companies Act.
- 2.8 Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital.

- 2.9 The Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.10 Save as provided elsewhere in this Prospectus and in the Articles, the Ordinary Shares are freely transferable.
- 2.11 The Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. Temporary documents of title will not be issued. In the case of Ordinary Shares to be issued in uncertificated form, these will be transferred to successful applicants through CREST. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if any Shareholder so wishes.
- 2.12 Applicants who have signed and returned Application Forms in respect of the Offer for Subscription may not withdraw their applications for Ordinary Shares subject to their statutory rights of withdrawal in the event of the publication of a supplementary prospectus.

### 3. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

- 3.1 As at the date of this Prospectus, there are no potential conflicts of interest between any duties owed to the Company by any of the Directors and their private interests and/or other duties.
- 3.2 The Directors intend to subscribe for Ordinary Shares pursuant to the Issue in the amounts set out below:

	<i>Number of Ordinary Shares</i>	<i>% of issued Ordinary Share capital*</i>
Robin Minter-Kemp (Chair)	50,250	0.02%
Clive Bouch (Audit Committee Chair)	50,250	0.02%
Katie Gordon	10,050	0.004%
Simon Prichard	15,075	0.006%

\* Assuming 250 million Ordinary Shares are issued at Admission resulting in Gross Issue Proceeds of £250 million.

- Save as disclosed in this paragraph 3.2, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.
- 3.3 Pursuant to deeds of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain conditions and exclusions, to indemnify each Director against all costs, charges, fees, expenses, losses, damages, judgments, settlements, compensation, other awards, fines, penalties, taxes and any other liabilities suffered or incurred by the Director in connection with the performance of their duties as a director of the Company.
- 3.4 None of the Directors receive any pension benefits from the Company, nor do they participate in any bonus or incentive schemes. Accordingly, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.
- 3.5 The Company has not made any loans to the Directors which are outstanding, nor has it provided any guarantees for the benefit of any Director or the Directors collectively.
- 3.6 It is estimated that the aggregate emoluments based on the fees set out in paragraph 4.2 below, (including benefits in kind and pension contributions of which none are to be made) of the Directors for the period ending 30 September 2022 will amount to no more than £161,000 (on an annualised basis).
- 3.7 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.

- 3.8 Over the five years preceding the date of this Prospectus, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

	<i>Current Directorships/Memberships</i>	<i>Previous Directorships/Memberships</i>
Robin Minter-Kemp (Chair)	<ul style="list-style-type: none"> <li>• Future Screen Partners 2006 No. 1 LLP</li> <li>• M K &amp; G Limited</li> <li>• Rayner Spencer Mills Research Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Future Screen Partners 2005 No. 3 LLP</li> <li>• Future Screen Partners 2005 No. 1 LLP</li> <li>• Future Screen Partners 2005 No. 2 LLP</li> <li>• MICL Limited</li> <li>• River and Mercantile Group plc</li> <li>• RSMR Portfolio Services Limited</li> </ul>
Clive Bouch (Audit Committee Chair)	<ul style="list-style-type: none"> <li>• AJP Financial Services Limited</li> <li>• Steamship Mutual Underwriting Association (Bermuda) Limited</li> <li>• Steamship Mutual Underwriting Association (Europe) Limited</li> <li>• Steamship Mutual Underwriting Association Limited</li> <li>• The Ardonagh Group Limited</li> <li>• Towergate Financial</li> <li>• Walker Crips Group plc</li> </ul>	<ul style="list-style-type: none"> <li>• Ardonagh Services Limited</li> <li>• Invesco UK Limited</li> <li>• Price Forbes Holdings Limited</li> <li>• Steamship Mutual Underwriting Association (Re-insurance) Limited (<i>Dissolved</i>)</li> </ul>
Katie Gordon	<ul style="list-style-type: none"> <li>• KLG Advisory Services Limited</li> <li>• Thrive Renewables plc</li> </ul>	<ul style="list-style-type: none"> <li>• Durrell Wildlife Conservation Trust – UK</li> </ul>
Simon Prichard	<ul style="list-style-type: none"> <li>• Gerald Eve Financial Services Limited</li> <li>• Gerald Eve LLP</li> </ul>	<ul style="list-style-type: none"> <li>• Gerald Eve Project Services Limited (<i>Dissolved</i>)</li> <li>• May 1 Management Limited (<i>Dissolved</i>)</li> </ul>

- 3.9 The Directors, in the five years prior to the date of this Prospectus:

3.9.1 have not had any convictions in relation to fraudulent offences;

3.9.2 save as disclosed in paragraph 3.10 below, have not been associated with any bankruptcies, receiverships, liquidations or the administration of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

3.9.3 have not been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

- 3.10 Mr Prichard was a director of Gerald Eve Project Services Limited which was voluntarily struck-off from the register and dissolved on 3 July 2018. Mr Prichard was also a Director of May 1 Management Limited which was voluntarily struck-off from the register on 21 January 2020 and dissolved on 28 January 2020.

- 3.11 As at the date of this Prospectus, none of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and their private interests and any other duties. The Investment Manager, any of its directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an “**Interested Party**”) may be involved in other financial, investment or other



professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

- 3.12 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 3.13 There are no family relationships between any of the Directors.
- 3.14 As at the date of this Prospectus and insofar as is known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.
- 3.15 All Shareholders have the same voting rights in respect of the share capital of the Company.
- 3.16 Certain of the key personnel of BMO Global Asset Management have confirmed that they intend to subscribe for, in aggregate, 233,000 Ordinary Shares under the Issue.
- 3.17 Pending the allotment of Ordinary Shares pursuant to the Issue, one Ordinary Share has been issued to the subscriber to the Company's memorandum of association. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 3.18 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

#### **4. DIRECTOR'S APPOINTMENT LETTERS**

- 4.1 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. Directors are required to retire and seek re-election by the Shareholders at each annual general meeting of the Company. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 4.2 Each of the Directors is entitled to receive remuneration from the Company at such rates as may be determined in accordance with the Articles. The aggregate remuneration and benefits in kind of the Directors in respect of any financial year will be payable out of the assets of the Company. Robin Minter-Kemp (Chair) will receive an initial fee of £45,000 per year. Clive Bouch (Audit Committee Chair) will receive an initial fee of £40,000 per year. Simon Prichard (Senior Independent Director) will receive an initial fee of £38,000 per year. Katie Gordon will receive an initial fee of £38,000 per year. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties.

#### **5. RELATED PARTY TRANSACTIONS**

Except for the appointment letters and deeds of indemnity entered into between the Company and each Director, the Management Agreement entered into between the Company, and the Investment Manager and the Social Income Advisory Agreement entered into amongst the Company, the Property Manager and the Social Income Adviser, the Company has not entered into any related party transaction (as defined in the standards as adopted according to the Regulation (EC) No 1606/2002) at any time during the period from incorporation to 13 September 2021 (the latest practicable date prior to the publication of this Prospectus).

#### **6. SIGNIFICANT CHANGE**

As at the date of this Prospectus, there has been no significant change in the financial position of the Company since 30 July 2021, being the date of the Company's incorporation.

## **7. WORKING CAPITAL**

- 7.1 The Company is of the opinion, taking into account the Minimum Net Proceeds, that the working capital available to the Company is sufficient for the Company's present requirements, that is for at least 12 months from the date of this Prospectus.
- 7.2 If the Minimum Net Proceeds are not raised, the Issue may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the FCA.

## **8. CAPITALISATION AND INDEBTEDNESS**

As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's issued share capital consists of one Ordinary Share and 50,000 Redeemable Preference Shares with no legal reserve or other reserves.

## **9. LITIGATION**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the period covering the previous 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.

## **10. SUMMARY OF THE ARTICLES**

The Articles were adopted on 11 September 2021 by way of a special resolution and contain provisions, *inter alia*, to the following effect.

### **10.1 Objects**

The Company's memorandum of association and Articles do not limit the objects of the Company and accordingly the Company's objects are unrestricted.

### **10.2 Votes of members**

Subject to the rights or restrictions referred to in this paragraph 10.2 and paragraph 10.3 below, and subject to any special rights or restrictions as to voting for the time being attached to any shares, on a show of hands: (a) every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (b) every proxy appointed by a member entitled to vote shall have one vote save that every proxy appointed by one or more members to vote for the resolution and by one or more other members to vote against the resolution, has one vote for and one vote against.

The holders of Management Shares shall have no right to receive notice of, or vote at, any general meeting of the Company. If there is no other class of share in issue, the holders of Management Shares shall be entitled to receive notice of, and vote at, any general meeting of the Company.

### **10.3 Restrictions on voting**

Unless the Board otherwise decides, a member of the Company shall not be entitled to attend or to vote, either in person or by proxy, at any general meeting of the Company in respect of any share held by that member unless all calls and/or other amounts presently payable by that member in respect of that share have been paid.

A member of the Company shall not, if the Directors determine, be entitled to attend or to vote, either in person or by proxy, at any general meeting of the Company or to exercise any other rights of membership if that member, or another person appearing to be interested in the relevant shares, has failed to comply with a notice requiring disclosure of interests in shares given under Article 14 of the Articles within such reasonable time as the Directors shall determine.

### **10.4 Dividends**

The Company may, by ordinary resolution, from time to time declare a dividend to be paid to the members, according to their respective rights and interests in the Company's profit, but no dividend shall exceed the amount recommended by the Board.

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and the Company's profits available for distribution. No dividend or other monies payable by the Company on or in respect of any shares in the Company shall bear interest as against the Company unless otherwise provided by the rights attaching to such shares.

The Directors may, if authorised by an ordinary resolution of the Company, offer holders of Ordinary Shares in the Company the right to elect to receive Ordinary Shares credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution.

The Company or the Board may fix any date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.

A dividend unclaimed for a period of 12 years after having been declared or become due for payment shall be forfeited and cease to remain owing by the Company.

The Management Shares shall entitle the holders thereof to receive a fixed annual dividend equal to 0.0001 per cent. on the nominal amount of each of the Management Shares. Such dividend will be payable in priority to the payment of a dividend to the holders of any other class of share of the Company.

#### 10.5 *Return of capital*

If the Company is in liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the same sanction, vest the whole or any part of the assets in trustees on trusts for the benefit of the members as the liquidator, with the same sanction, may determine but no member shall be compelled to accept any assets on which there is any liability.

The holders of the Ordinary Shares and the Management Shares shall have the following rights as to the surplus capital and assets of the Company on a winding-up or on a return of capital:

- (a) firstly, if there are Management Shares in issue, there will be paid to the holders of the Management Shares in respect of each such Management Share the amount paid up or treated as paid up thereon; and
- (b) secondly, the surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares.

#### 10.6 *Variation of rights*

Any rights attaching to a class of shares in the Company may be varied in such manner (if any) as may be provided by those rights or with the written consent of the holders of three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the relevant class. The quorum for the separate general meeting shall be two persons entitled to vote and holding, or representing by proxy, not less than one-third in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

#### 10.7 *Transfer of shares*

Subject to the restrictions set out in this paragraph and such other restrictions of the Articles, any member may transfer all or any of his shares in the Company in any manner which is permitted by the Companies Act or in any other manner which is from time to time approved by the Board.

The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares. All transfers of uncertificated shares shall be made by means of the relevant system or in any other manner which is permitted by the Uncertificated Securities Regulations and no provision in the Articles that requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the share to be transferred, shall apply to uncertificated shares.

The Directors have discretion to refuse to register any transfer of a certificated share of any class which is not fully paid provided that, where such share is admitted to the Official List, this does not prevent dealings in the shares of that class from taking place on an open and proper basis. The Directors may also decline to register any transfer of shares in certificated form unless: (a) the instrument of transfer, duly stamped, is deposited at the office of the Company or such other place as the Board may appoint, accompanied by the certificate for the shares to which it relates if such a certificate has been issued, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (b) the transfer is in respect of only one class of shares and is in favour of no more than four transferees.

The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a statutory notice under the Articles and in respect of which the required information has not been received by the Company within such reasonable time as the Directors have determined.

The registration of a transfer of shares or of transfers of any class of shares may be suspended at such times and for such periods as the Directors may determine.

In respect of any allotment of any share, the Directors shall have the same right to decline to approve the registration of any renouncee of any allottee as if the application to allot and the renunciation were a transfer of a share under the Articles.

Save as aforesaid, the Articles contain no general restrictions as to the free transferability of fully paid shares.

#### *10.8 Alteration of capital*

The Company may by special resolution alter its share capital in any way that is permitted by the Companies Act.

#### *10.9 General meetings*

##### *Annual general meetings*

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Act.

##### *Convening of general meetings*

All meetings, other than annual general meetings, shall be called general meetings. The Board may convene a general meeting whenever it thinks fit. The Board shall comply with the provisions of the Companies Act regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

##### *Physical, virtual only and hybrid meetings*

The Company may hold shareholder meetings: (i) on a physical basis, at a physical location; (ii) on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means; or (iii) on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means.

##### *Notice of general meetings*

A general meeting (including an annual general meeting) shall be convened by at least such minimum period of notice as is required or permitted by the Companies Acts.

Every notice shall specify: (a) the place and/or electronic platform, the day and the time of the meeting; (b) and the general nature of the business to be transacted; (c) in the case of an annual general meeting, the notice shall specify the notice as such; and (d) any procedures on attendance and voting at the meeting.

Subject to the provisions of the Companies Act and the Articles, and to any restrictions imposed on any shares, notice of every general meeting shall be given to all members, to all persons entitled to a share, to the auditors by transmission and to every Director.

### *Quorum*

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

A quorum of members shall consist of not less than two members present in person or by proxy (or by a duly authorised corporate representative) and entitled to vote and shall be a quorum for all purposes.

If within five minutes (or such longer time not exceeding one hour as the chair of the meeting may decide to wait) from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such other day (being not less than ten days later) and at such other time and place and/or electronic platform as may be decided by the chair of the meeting and at such adjourned meeting one member present in person or by proxy or by a duly authorised corporate representative and entitled to vote shall be a quorum and may transact the business for which the meeting was called.

### *Chair*

At each general meeting, the chair (if any) of the Board or, if they are absent or unwilling, the deputy chair (if any) of the Board or (if more than one deputy chair is present and willing) the deputy chair who has been longest in such office or, if no deputy chair is present and willing, one of the other Directors who is appointed for the purpose by the Board or (failing appointment by the Board) by the members present, shall preside as chair of the meeting, but if no Director is present or, if none of the Directors present is willing to preside, the members present and entitled to vote shall choose one of their number to preside as chair of the meeting.

### *Directors entitled to attend and speak*

Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares of the Company.

### *Adjournment*

With the consent of any meeting at which a quorum is present, the chair of the meeting may (and if so directed by the meeting shall) adjourn the meeting either indefinitely or to another time or place and/or electronic platform.

In addition, the chair of the meeting may at any time, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time and place and/or electronic platform if, in their opinion, it appears that: (a) the members, proxies and corporate representatives wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; (b) the facilities or security at the place of the meeting or the electronic platform provided for the meeting have become inadequate; (c) the conduct of persons present prevents or is likely to prevent the orderly continuation of business; (d) the health, safety or well-being of those entitled to attend would be put at risk by their attendance at the meeting; or (e) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

When a meeting is adjourned indefinitely the time and place and/or electronic platform for the adjourned meeting shall be fixed by the Board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

### *Notice of adjournment*

When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where the Articles or the Companies Act otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

### *Method of voting and demand for a poll*

A resolution put to the vote at an electronic meeting shall be decided on a poll. Subject to this, at a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands,



unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chair of the meeting;
- (b) at least five persons present and entitled to vote on the resolution;
- (c) a member or members present in person or by proxy or represented by a duly authorised corporate representative and representing in aggregate not less than one tenth of the total voting rights of all the members having the right to attend and vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares); or
- (d) a member or members present in person or by proxy or represented by a duly authorised corporate representative and representing in aggregate not less than one tenth of the total sums paid up on all the shares conferring the right to attend and vote on the resolution.

#### *Taking a poll*

If a poll is demanded (and the demand is not withdrawn), it shall be taken in such manner as the chair of the meeting shall direct. The chair may appoint scrutineers who need not be members.

#### *Proxies*

An instrument appointing a proxy must be in writing signed by the appointer or their duly authorised attorney in writing and be deposited at the registered office of the Company by the deadline (which cannot be more than 48 hours prior to the time for holding the meeting) specified for this purpose in the relevant convening notice for a general or class meeting of the Company. The appointment of a proxy does not preclude a member from attending, speaking and voting in person at the meeting or on a poll.

A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend and to speak and to vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member.

### 10.10 *Directors*

#### *Number of directors*

Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall be not less than three but not more than ten.

#### *Periodic retirement of Directors*

Each Director shall retire from office at every annual general meeting.

### 10.11 *Remuneration*

The Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors. The aggregate of such remuneration shall not exceed £400,000 per annum (or such larger sum as the Company may, by ordinary resolution, approve).

The Directors may be paid reasonable travelling, hotel and other expenses properly incurred in connection with the conduct of Company business and the discharge of their duties as Directors including expenses incurred in travelling to and from meetings of the Board, committee meetings, general meetings and/or any other meeting which as a Director they are entitled to attend.

### 10.12 *Directors' interests*

The Articles contain extensive provisions dealing with Director conflicts of interest, certain of which are summarised in this section. The Board may authorise any matter which would otherwise involve a Director breaching their duty under the Companies Acts to avoid conflicts of interest. Where the Board gives authority in relation to a conflict, the Board may require that the relevant Director is excluded from the receipt of information, the participation in discussions and/or the making of decisions and impose such other terms for the purpose of dealing with the conflict as it may determine.

If a Director is in any way directly or indirectly interested in a proposed contract with the Company or a contract that has been entered into by the Company, the relevant Director must declare the nature and extent of that interest to the Directors in accordance with the Companies Act. Provided the Director has declared their interest, a Director may:

- (a) be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;
- (b) hold any other office or place of profit with the Company (except that of Auditors) in conjunction with their office of Director for such period and upon such terms, including as to remuneration, as the Board may decide;
- (c) act by themselves or through a firm with which they are associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as Auditors);
- (d) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested; and
- (e) be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of their appointment as a director of that other company.

#### 10.13 *General powers*

Subject to the Companies Act, the Articles and to any directions given to the Company in a general meeting by special resolution, the Directors shall manage the Company's business and can use all the Company's powers. The business of the Company shall be managed by the Board which may exercise all powers of the Company whether relating to the management of the business of the Company or not. No special resolution or alteration of the Company's memorandum of association or of the Articles shall invalidate any prior act of the Board which would have been valid if the resolution had not been passed or the alteration had not been made.

#### 10.14 *Borrowing powers*

Subject to the Companies Act, the Board may exercise all the powers of the Company to: (a) borrow money; (b) guarantee and/or to indemnify any debt, liability or obligation of the Company or of any third party; (c) mortgage or charge all or any part of the undertaking, property and/or assets (present and future) and uncalled capital of the Company; (d) issue or sell bonds, loan notes, debentures and other securities; and (e) give security, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party. The Board will limit the total borrowings of the Company to ensure that, save with the previous sanction of an ordinary resolution, no money shall be borrowed if the aggregate principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any) (exclusive of borrowings owing by one member of the group to another member of the group) then exceeds, or would as a result of such borrowing exceed, an amount equal to 40 per cent. of the Gross Asset Value of the Company at the time of borrowing.

#### 10.15 *Indemnity of officers*

Insofar as the Companies Act allows, each current or former officer of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by them by reason of their being or having been such an officer,

The Board may, without sanction of the Company in general meeting, authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any such insurance as is permitted by the Companies Act in respect of any liability which would otherwise attach to such officer or former officer.

#### 10.16 *Board meetings*

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

#### 10.17 *Quorum*

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to the provisions of the Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

#### 10.18 *Voting*

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chair of the meeting shall have a second or casting vote (unless the chair is not entitled to vote on the resolution in question).

#### 10.19 *Continuation Resolution*

The Directors will propose an ordinary resolution that the Company continues its business as a closed-ended, real estate investment trust (a "Continuation Resolution") at the annual general meeting of the Company to be held in 2027 and at every fifth annual general meeting thereafter.

If a Continuation Resolution is not passed at any general meeting at which it is proposed, the Directors are required to put forward, as a special resolution, proposals for the reconstruction, reorganisation or winding-up of the Company to the members for their approval within six months following the date on which the relevant Continuation Resolution is not passed. These proposals may or may not involve winding up the Company or liquidating all or part of the Company's then existing portfolio of investments and, accordingly, failure to pass a Continuation Resolution will not necessarily result in the winding-up of the Company or liquidation of all or some of its portfolio of investments.

#### 10.20 *REIT Provisions*

A summary of the REIT provisions included in the Articles is set out in paragraph 4 of Part 7 of this Prospectus.

#### 10.21 *Changes to the Articles*

In accordance with the Companies Act, the Articles can be amended by means of a special resolution of Shareholders which requires 75 per cent. of the votes cast at a general meeting to be in favour, provided that in relation to any amendment which would affect class rights, the appropriate class has approved the amendment in accordance with the Articles.

### 11. CITY CODE ON TAKEOVERS AND MERGERS

#### 11.1 *Mandatory bid*

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code ("**Rule 9**"), if:

- any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in Shares which, when taken together with Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- any person who, together with persons acting in concert with him, is interested in Shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold Shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other Shares which increases the percentage of Shares carrying voting rights in which he is interested,

such person and, depending on the circumstances, their concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer or cash alternative offer for the outstanding Shares at a price not less than the highest price paid for any interests in the shares by the person or their concert parties during the previous 12 months. Such an offer must only be conditional on:

- (i) the person having received acceptances in respect of Shares which (together with Shares already acquired or agreed to be acquired) will result in the person and any person acting

in concert with him holding Shares carrying more than 50 per cent. of the voting rights of the Company; and

- (ii) no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date, or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.
- Under Rule 37 of the Takeover Code (“**Rule 37**”), when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 in these circumstances. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares might take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances.

The buying back by the Company of Ordinary Shares could, therefore, have implications for Shareholders with significant shareholdings. The buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback the Board will seek to identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 and will seek an appropriate waiver in accordance with note 3 of Rule 37. However, neither the Company, nor any of the Directors, nor the Investment Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

## 11.2 *Compulsory Acquisition*

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the Shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding Shares not assented to the offer. It would do so by sending a notice to the other holders of Shares telling them that it will compulsorily acquire their Shares and then, six weeks later, it would execute a transfer of the outstanding Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the holders of those Shares subject to the transfer. The consideration offered to the holders whose Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire (pursuant to a takeover offer that relates to all the Shares in the Company) not less than 90 per cent. of the Shares (in value and by voting rights) to which the offer relates, any holder of Shares to which the offer relates who has not accepted the offer may require the offeror to acquire their Shares on the same terms as the takeover offer.

The offeror would be required to give any holder of Shares notice of their right to be bought out within one month of that right arising. Such sell out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of Shares notifying them of their sell out rights. If a holder of Shares exercises their rights, the offeror is bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

## 12. **MATERIAL CONTRACTS**

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation or which are expected to be entered into prior to Admission and which are, or may be, material to the Company or that contain any provision under which the Company has any obligation or entitlement which is or may be material to the Company as at the date of this Prospectus.

### 12.1 *Management Agreement*

The AIFM and the Company have entered into the Management Agreement dated 13 September 2021. Pursuant to the terms of the Management Agreement, the Investment Manager has agreed, subject to the overall policy and supervision of the Directors and such directions as the Directors may give from time

to time, to manage the investments and other assets of the Company with the overall responsibility for the portfolio management and risk management of the assets of the Company in each case in accordance with the Company's investment policy. The Investment Manager has delegated certain asset management services to the Asset Manager who, in turn, has delegated the provision of property management services to the Property Manager.

Under the terms of the Management Agreement, the Investment Manager is entitled to an annual fee payable quarterly in arrears by the Company and calculated at the rate of: (i) 0.85 per cent. on that part of the NAV up to and including £250 million; (ii) 0.80 per cent. on that part of the NAV above £250 million up to and including £500 million; (iii) 0.75 per cent. on that part of the NAV above £500 million up to and including £750 million; (iv) 0.70 per cent. on that part of the NAV above £750 million up to and including £1 billion; and (v) 0.65 per cent. on that part of the NAV above £1 billion. No performance fee is payable to the Investment Manager. The Property Manager will be paid a fee out of the Investment Manager's fee. Neither the Investment Manager nor the Property Manager will be entitled to reimbursement of any out of pocket costs, expenses and charges save for those incurred at the express request of the Board.

The AIFM has also been appointed by the Company under the terms of the Management Agreement to provide day-to-day administration, fund accounting and company secretarial services to the Company. In this role, the AIFM will provide certain administrative services to the Company which includes reporting the Net Asset Value, bookkeeping and accounts preparation. Under the terms of the Management Agreement, the Investment Manager charges an additional fee of £100,000 plus VAT for the provision of these services.

The Company has agreed to indemnify the Investment Manager (and its officers, directors and employees) against all liabilities, obligations, losses, damages, suits and expenses incurred by or asserted against the Investment Manager in the performance of its duties pursuant to the Management Agreement or otherwise in connection with the Company's activities other than those resulting from the negligence, wilful default, fraud or bad faith on the part of the Investment Manager (or its officers, directors and employees) or from a breach of the Management Agreement or any applicable laws by the Investment Manager (or its officers, directors and employees).

The Management Agreement may be terminated by any party on six months' written notice, such notice not to expire before the third anniversary of Admission. The Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material and continuing breach.

The Management Agreement is governed by English law.

## 12.2 Social Income Advisory Agreement

The Company, the Property Manager and the Social Income Adviser have entered into the Social Income Advisory Agreement dated 13 September 2021. Pursuant to the Social Income Advisory Agreement, the Social Income Adviser will assist with, *inter alia*, deal origination and the sourcing of Supported Housing assets, relationship management with RPs, CPs and the Local Authority Care Commissioners, and managing the refurbishment and development of the Company's Supported Housing assets as the Company's portfolio stabilises. The Social Income Adviser's principal advisory fee will be paid by the Property Manager out of its share of the Investment Manager's annual management fee under the Management Agreement.

Under the terms of the Social Income Advisory Agreement, the Social Income Adviser is entitled to an acquisition fee payable quarterly in arrears in respect of acquisition services it provides to the Property Manager, which will be paid directly by the Company and calculated as a percentage of the purchase price for the relevant asset and equal to (i) 0.75 per cent. on directly sourced assets and (ii) 0.40 per cent. on all third party sourced assets where the Social Income Adviser leads the underwrite and is materially involved, which will involve, *inter alia*, producing an appropriate report on the asset and co-ordinating third party technical and other appropriate advisors.

Under the terms of the Social Income Advisory Agreement, the Social Income Adviser is also entitled to a project management fee for refurbishment and development activity that it oversees in relation to the Company's Supported Housing assets as instructed by the Property Manager. This is separate to the acquisition fee noted above, is payable by the Company on completion of the refurbishment and/or development activity and will be calculated at the rate of 1.5 per cent. on the cost of all refurbishments, conversions and new builds that the Social Income Adviser directly sources in respect of each project management engagement.



### 12.3 *Placing and Offer Agreement*

The Placing and Offer Agreement dated 13 September 2021 entered into by the Company, each of the Directors, the Investment Manager and Peel Hunt pursuant to which, subject to certain conditions, Peel Hunt has agreed to use its reasonable endeavours to procure purchasers for the Ordinary Shares to be issued pursuant to the Placing at the Issue Price.

The Placing and Offer Agreement is subject to, *inter alia*, the Ordinary Shares to be issued pursuant to the Issue being admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market by 5 October 2021 (or such later date and time as the Company, Peel Hunt and the Sponsor may agree but not later than 8.00 a.m. on 31 December 2021). Conditional upon completion of the Issue, Peel Hunt will be paid a commission by the Company in consideration for its services in relation to the Issue.

Under the Placing and Offer Agreement, which may be terminated by Peel Hunt in certain circumstances prior to Admission, the Company and the Investment Manager have given certain warranties and indemnities to Peel Hunt and the Directors have given certain warranties (subject to certain agreed caps) to Peel Hunt. These warranties and indemnities are customary for an agreement of this nature.

Under the Placing and Offer Agreement, Peel Hunt is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Issue. Peel Hunt is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Issue to any or all of those agents out of its own resources.

The Placing and Offer Agreement is governed by English law.

### 12.4 *Intermediaries Booklet*

The Intermediaries Booklet dated 13 September 2021 sets out the terms on which the Intermediaries have agreed, or will agree, in connection with the Intermediaries Offer, to act as agent for their Underlying Applicants.

None of the Company, the Sponsor or Peel Hunt, or any of their respective representatives will have any liability to the Intermediaries for liabilities, costs or expenses incurred by the Intermediaries in connection with the Initial Intermediaries Offer.

As set out in the Intermediaries Booklet, Peel Hunt has agreed to coordinate applications from the Intermediaries under the Initial Intermediaries Offer. Determination of the number of Ordinary Shares offered will be determined solely by the Company (following consultation with the Sponsor, Peel Hunt and the Investment Manager). Allocations to Intermediaries will be determined solely by the Company (following consultation with the Sponsor, Peel Hunt and the Investment Manager).

The Intermediaries agree to procure the investment of the maximum number of Ordinary Shares which can be acquired at the Issue Price for the sum applied for by such Intermediaries on behalf of their respective Underlying Applicants. A minimum application of £1,000 per Underlying Applicant will apply. Intermediaries agree to take reasonable steps to ensure that they will not make more than one application per Underlying Applicant.

The Intermediaries give certain undertakings regarding their use of information in connection with the Intermediaries Offers. The Intermediaries also give undertakings regarding the form and content of written and oral communications with clients and other third parties and the Intermediaries also give representations and warranties which are relevant for the Intermediaries Offers, and indemnify the Company, the Sponsor, the Receiving Agent and their respective representatives against any loss or claim arising out of any breach or alleged breach by them of the agreement or of any duties or obligations under the FSMA or under any rules of the FCA or any applicable laws or as a result of any other act or omission by the Intermediary in connection with the subscription for and/or resale of Ordinary Shares by the Intermediaries or any Underlying Applicant.

### 12.5 *Depositary Agreement*

The Depositary Agreement dated 13 September 2021 between the Company, the AIFM and the Depositary pursuant to which the safekeeping of the Company's assets will be entrusted to the Depositary who will be required to provide depositary services to the Company in fulfilment of the requirements of the EU AIFM Directive. The Depositary shall also be responsible for ensuring that the Company's cash flows are properly monitored and shall review the AIFM's cash monitoring procedures.

The Depositary may delegate some of its custody functions to a custodian, who in turn may further sub delegate to a sub-custodian, wherever permissible, in accordance with applicable law.

In consideration for its services, the Depositary is entitled to receive a fee for the provision of depositary services to the Company calculated on a quarterly basis at a rate of 1.5 basis points of the quarter end NAV and will also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The Depositary Agreement contains provisions to allow for its termination by any party on not less than six months' prior written notice to each other party, or immediately in the case of certain specified circumstances, including material and continuing breach or insolvency.

The Depositary Agreement contains certain customary undertakings and indemnities by the Company and the AIFM in favour of the Depositary.

The Depositary has delegated its obligations in respect of the safe keeping of the Company's investments to JPMorgan Chase Bank National Association, London branch.

The Depositary has not contractually discharged any of its liabilities under the Depositary Agreement in respect of the delegated services.

The Depositary Agreement is governed by the laws of England and Wales.

#### *12.6 Registrar Agreement*

The Registrar Agreement dated 13 September 2021 between the Company and the Registrar whereby the Registrar is appointed to act as registrar of the Company.

The Registrar Agreement is for an initial period of two years and thereafter may be terminated by either party on not less than six months' notice, such notice not to expire before the second anniversary of Admission. The agreement is also subject to immediate termination on the occurrence of certain events, including material and continuing breach or insolvency.

The Registrar is entitled to an annual maintenance fee per Shareholder account per annum subject to a minimum annual fee. The Registrar is also entitled to certain transaction fees under the Registrar Agreement and to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Registrar Agreement contains a provision whereby the Company indemnifies the Registrar and its affiliates against any and all losses, damages, liabilities, professional fees, court costs and expenses resulting or arising from the Company's breach of the agreement and, in addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the agreement or the services provided thereunder, except to the extent such losses are determined to have resulted solely from fraud, wilful default or negligence on the Registrar's (or its affiliate's) part. The indemnity is customary for an agreement of this nature.

The Registrar Agreement is governed by English law.

#### *12.7 Receiving Agent Agreement*

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to customary fees. The Receiving Agent is also entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Receiving Agent Agreement contains a provision whereby the Company indemnifies the Receiving Agent and its affiliates against any and all losses, damages, liabilities, professional fees, court costs and reasonable expenses resulting or arising from the Company's breach of the agreement and, in addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the agreement or the services provided thereunder, except to the extent such losses are determined to have resulted from fraud, wilful default or negligence on the Receiving Agent's (or its affiliate's) part. The indemnity is customary for an agreement of this nature.

The Receiving Agent Agreement is governed by English law.

### **13. INVESTMENT RESTRICTIONS**

- 13.1 The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy as set out in Part 1 of this Prospectus.
- 13.2 The Company will not invest in other investment funds.
- 13.3 In accordance with the requirements of the FCA, the Company will not make any material change to its published investment policy without the approval of its Shareholders by ordinary resolution. Such an alteration would be announced by the Company through a Regulatory Information Service.
- 13.4 In the event of a breach of the investment policy set out in Part 1 of this Prospectus and the investment restrictions set out therein, the AIFM and the Property Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.
- 13.5 The Company must not conduct any trading activity which is significant in the context of its group as a whole.

### **14. GENERAL**

- 14.1 No Director has any interest in the promotion of, or in any property acquired or proposed to be acquired by, the Company.
- 14.2 The Ordinary Shares being issued in connection with the Issue are being issued at 100 pence per Ordinary Share of which 99 pence per Ordinary Share constitutes share premium.
- 14.3 No application is being made for the Ordinary Shares to be dealt with in or on any stock exchange or investment exchange other than the premium segment of the London Stock Exchange's main market.
- 14.4 Peel Hunt is acting as placing agent to the Issue and intermediaries offer adviser in relation to the Intermediaries Offer and has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear.
- 14.5 The Sponsor has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear.
- 14.6 The Investment Manager has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear. The Investment Manager has given and not withdrawn its (i) written consent to the inclusion in this Prospectus of the information and opinions attributable to the Investment Manager contained in and (ii) authorisation of the content of this Prospectus contained in, the "*Risk Factors*", Part 1 (*Investment Highlights*), Part 2 (*Investment Opportunity Overview*), Part 3 (*Market Background and Investment Opportunity*), Part 4 (*Investment Management Team, Strategy, Process and Pipeline*) and Part 5 (*Directors, Management and Administration*) of this Prospectus. To the best of the knowledge of the Investment Manager, the information contained in the parts of the Prospectus for which it is responsible is in accordance with the facts and those parts make no omission likely to affect their import.
- 14.7 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 14.8 Shareholders are obliged to comply, from Admission, with the shareholding notification and disclosure requirements set out in Chapter 5 of the Disclosure Guidance and Transparency Rules. A Shareholder is required pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, three per cent. of the Company's voting rights or any one per cent. threshold above that.

## **15. INTERMEDIARIES**

As at the date of this Prospectus, the financial intermediaries that are authorised to use this Prospectus in connection with the Intermediaries Offer are:

AJ Bell Securities Limited;

Canaccord Genuity Wealth Limited;

Equiniti Financial Services Limited;

iDealing.com Limited;

Interactive Investor Services Limited; and

Redmayne Nominees Limited.

Any new information with respect to intermediaries unknown at the time of approval of this Prospectus including in respect of any intermediary that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus following its agreement to adhere to and be bound by the Intermediaries Booklet, and any intermediary that ceases to participate in the Intermediaries Offer, will be available, subject to certain restrictions, on the Company's website at [www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk).

## **16. DOCUMENTS AVAILABLE FOR INSPECTION**

16.1 Copies of the following documents are available for inspection at any time on the Company's website at [www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk).

16.1.1 the memorandum of association of the Company and the Articles; and

16.1.2 this Prospectus.

## **17. AVAILABILITY OF THIS DOCUMENT**

This document is available for inspection on the Company's website ([www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk)) and on the National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>).

**13 September 2021**

## PART 9

### DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

<b>“Admission”</b>	admission of the Ordinary Shares (issued and to be issued) (i) to trading on the premium segment of the London Stock Exchange’s main market becoming effective in accordance with the LSE Admission Standards; and (ii) to the premium segment of the Official List becoming effective in accordance with the Listing Rules
<b>“AIC”</b>	the Association of Investment Companies
<b>“AIC Code”</b>	the AIC Code of Corporate Governance published by the AIC, as amended from time to time
<b>“AIFM” or “Investment Manager” or “Company Secretary”</b>	BMO Investment Business Limited
<b>“Application Form” or “Offer for Subscription Application Form”</b>	the application form attached as Appendix 1 to this Prospectus for use in connection with the Offer for Subscription
<b>“Articles” or “Articles of Association”</b>	the articles of association of the Company, as amended from time to time
<b>“Asset Manager”</b>	BMO REP Asset Management plc
<b>“Audit Committee”</b>	the committee of this name established by the Board and having the duties described in the section entitled “ <i>Audit Committee</i> ” in Part 5 of this document
<b>“Auditor”</b>	with effect from Admission, BDO LLP
<b>“Australia”</b>	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
<b>“BMO”</b>	BMO Asset Management (Holdings) PLC and relevant subsidiaries, operating under the trading name BMO Global Asset Management
<b>“BMO Financial Group”</b>	the Bank of Montreal and its associates
<b>“Board”</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>“Business Day”</b>	a day (excluding Saturdays and Sundays, or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
<b>“Canada”</b>	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
<b>“CP” or “Care Provider”</b>	the specialist care provider that provides the care package for the supported resident utilising Supported Housing



<b>“certificated” or “in certificated form”</b>	a share or other security which is not in uncertificated form
<b>“Common Reporting Standard” or “CRS”</b>	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD
<b>“Companies Act”</b>	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
<b>“Company”</b>	Responsible Housing REIT plc, a company incorporated in England and Wales under the Companies Act with registered number 13539728
<b>“Contract Note”</b>	has the meaning given to it in paragraph 1.4 of Part 10 of this Prospectus
<b>“Corporation Tax Act” or “CTA 2010”</b>	the Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
<b>“COVID-19 Pandemic”</b>	the outbreak of the infectious disease known as COVID-19 (a novel coronavirus disease), the spread of which was declared as a transnational and continental pandemic by the World Health Organisation on 11 March 2020
<b>“CPI”</b>	UK Consumer Price Index
<b>“CQC”</b>	the Care Quality Commission, the independent regulator of health and adult social care in England
<b>“CREST”</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
<b>“Department for Health”</b>	the government department supporting government ministers in leading the UK’s health and social care to help people live more independent, healthier lives for longer
<b>“Department of Work and Pensions”</b>	the Government department responsible for welfare, pensions and child maintenance policy
<b>“Depository”</b>	JP Morgan Europe Limited
<b>“Depository Agreement”</b>	the depository agreement between the Company, the Depository and the AIFM, a summary of which is set out in paragraph 12.5 of Part 8 of this Prospectus
<b>“Directors”</b>	the directors of the Company from time to time and “Director” shall be construed accordingly
<b>“Disclosure Guidance and Transparency Rules”</b>	the disclosure guidance published by the FCA and the transparency rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>“Distribution”</b>	any dividend or other distribution on or in respect of the shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made

<b>“Distribution Transfer”</b>	a disposal or transfer (however effected) by a person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a Distribution and no person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not) is (whether as a result of the transfer or not) a Substantial Shareholder
<b>“Distribution Transfer Certificate”</b>	a certificate in such form as the Directors may specify from time to time to the effect that the relevant person has made a Distribution Transfer, which certificate may be required by the Directors to satisfy them that a Substantial Shareholder is not beneficially entitled (directly or indirectly) to a Distribution
<b>“DP Legislation”</b>	the applicable data protection legislation (including the UK GDPR, the UK Data Protection Act 2018 (as amended from time to time) and the EU GDPR) and regulatory requirements in the United Kingdom and/or the EEA, as appropriate
<b>“DVP”</b>	delivery versus payment
<b>“EEA”</b>	European Economic Area
<b>“EEA Member State”</b>	a member state of the EEA
<b>“EPC”</b>	Energy Performance Certificate
<b>“ERISA”</b>	the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulation promulgated thereunder
<b>“ESG”</b>	environmental, social, and corporate governance
<b>“EU AIFM Delegated Regulation”</b>	the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
<b>“EU AIFM Directive”</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, and the EU AIFM Delegated Regulation
<b>“EU GDPR”</b>	the General Data Protection Regulation (EU) 2016/679
<b>“EU Market Abuse Regulation”</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
<b>“EU MiFID II”</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR), and together with MiFID, MiFID II)

<b>“EU Money Laundering Directive”</b>	Directive (2018/843/EU) of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing)
<b>“EU PRIIPs Regulation”</b>	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and its implementing and delegated acts
<b>“EU Prospectus Regulation”</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, being the operator of CREST
<b>“European Union” or “EU”</b>	the European Union
<b>“Excess Charge”</b>	in relation to a Distribution which is paid or payable to a person, all tax or other amounts which the Directors consider may become payable by the Company under Section 551 of the CTA 2010 and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution being paid to or in respect of that person
<b>“Extra Care”</b>	accommodation for people aged 55 or older who require an element of care to maintain their independence; typically self-contained flats with communal facilities
<b>“FATCA”</b>	sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act of 2010 (together with any regulations, rules and other guidance implementing such US Tax Code sections and any applicable intergovernmental agreement or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom including any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
<b>“FCA Handbook”</b>	the FCA’s handbook of rules and guidance, as amended and updated from time to time
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended) and any statutory modification or re-enactment thereof for the time being in force
<b>“Gross Asset Value”</b>	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
<b>“Gross Issue Proceeds”</b>	the gross proceeds of the Issue
<b>“HMRC”</b>	Her Majesty’s Revenue & Customs

<b>“Homes England”</b>	an executive non-departmental public body, sponsored by the Ministry of Housing, Communities & Local Government responsible for, inter alia, increasing the number of new homes that are built in England, including affordable homes and homes for market, sale or rent and improving existing affordable homes and bringing empty homes back into use as affordable housing
<b>“Housing Benefit”</b>	Government-funded assistance with the payment of rent to those who are on a low income which is administered by the Local Authority on behalf of the Department for Work and Pensions, only available, since 2017, to those who have reached state pension age or who live in supported, sheltered or temporary accommodation
<b>“Housing LIN”</b>	the Housing Learning and Improvement Network (LIN) is a sophisticated network bringing together housing, health and social care professionals in England, Wales, and Scotland to exemplify innovative housing solutions for an ageing population
<b>“IFRS”</b>	international financial reporting standards
<b>“Independent Valuer”</b>	Jones Lang LaSalle Limited
<b>“Interest in the Company”</b>	includes, without limitation, an interest in a Distribution made or to be made by the Company
<b>“Intermediaries”</b>	the entities listed in paragraph 15 of Part 8 of this Prospectus, together with any other financial intermediary (if any) that is appointed by the Intermediaries Offer Adviser in connection with the Intermediaries Offer after the date of this Prospectus and “Intermediary” shall mean any one of them
<b>“Intermediaries Booklet”</b>	the booklet entitled “ <i>Responsible Housing REIT plc Intermediaries Offer: Information for Intermediaries</i> ” and containing, among other things, the Intermediaries Terms and Conditions
<b>“Intermediaries Offer”</b>	the offer of Ordinary Shares by the Intermediaries to retail investors
<b>“Intermediaries Terms and Conditions”</b>	the terms and conditions agreed between the Intermediaries Offer Adviser, the Company, the Investment Manager and the Intermediaries in relation to the Intermediaries Offer and contained in the Intermediaries Booklet
<b>“ISA”</b>	a UK individual savings account
<b>“ISIN”</b>	International Securities Identification Number
<b>“Issue”</b>	the issue of Ordinary Shares at the Issue Price under the Placing, Offer for Subscription and Intermediaries Offer
<b>“Issue Price”</b>	100 pence per Ordinary Share
<b>“Japan”</b>	Japan, its cities, prefectures, territories and possessions

<b>“Key Information Document” or “KID”</b>	the key information document relating to the Ordinary Shares produced pursuant to the UK PRIIPs Laws, as amended and updated from time to time
<b>“Lead Portfolio Managers”</b>	together, Guy Glover and Emma Gullifer
<b>“LEI”</b>	Legal Entity Identifier
<b>“Listing Rules”</b>	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>“Local Authority”</b>	the local government organisation that is officially responsible for all the public services and facilities in a particular area in the UK
<b>“Local Authority Care Commissioner”</b>	the Local Authority department responsible for, amongst other things, commissioning care into specific properties
<b>“Local Government Association”</b>	the national membership body for Local Authorities in England and Wales
<b>“Local Housing Allowance”</b>	rates that are location specific rental levels funded by Housing Benefit for tenants renting from private landlords
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“LSE Admission Standards”</b>	the admission and disclosure standards published by the London Stock Exchange
<b>“Management Agreement”</b>	the management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 12.1 of Part 8 of this Prospectus
<b>“Management Engagement Committee”</b>	the committee of this name established by the Board and having the duties described in the section titled “ <i>Management Engagement Committee</i> ” in Part 5 of this Prospectus
<b>“Management Shares” or “Redeemable Preference Shares”</b>	redeemable preference shares of £1.00 each in the capital of the Company held, at the date of this Prospectus, by the Investment Manager
<b>“MiFID II Product Governance Requirements”</b>	has the definition given in the section entitled “ <i>Information to Distributors</i> ” in the Part entitled “ <i>Important Information</i> ” of this Prospectus
<b>“Minimum Gross Proceeds”</b>	£100 million, being the minimum Gross Issue Proceeds to be received under the Issue
<b>“Minimum Net Proceeds”</b>	the minimum net proceeds of the Issue, being £98 million (or such lesser amount as the Company, Peel Hunt and the Sponsor may determine and notify to investors through a Regulatory Information Service announcement and a supplementary prospectus)
<b>“NAV” or “Net Asset Value”</b>	the value, as at any date, of the assets of the Company after deduction of all its liabilities, before deducting dividends that have been declared but not paid as at the relevant reporting date, determined in accordance with the accounting policies adopted by the Company from time to time



<b>“Net Asset Value per Share” or “NAV per Share”</b>	at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation
<b>“Net Issue Proceeds”</b>	the Gross Issue Proceeds less applicable fees and expenses of the Issue
<b>“NHS”</b>	the National Health Service, the Government-funded medical and health care services provided throughout the UK, consisting of NHS England, NHS Wales (GIG Cymru), NHS Scotland and, in Ireland, Health and Social Care Services
<b>“NMPI”</b>	non-mainstream pooled investments
<b>“Nominations Agreement”</b>	means an agreement to be entered into between the Local Authority and the Registered Provider in respect of the provision of housing for an individual
<b>“Non-PID Dividend”</b>	a dividend paid by the Company that is not a PID
<b>“OECD”</b>	the Organisation for Economic Co-operation and Development
<b>“Offer for Subscription”</b>	the offer for subscription of Ordinary Shares at the Issue Price on the terms set out in this Prospectus
<b>“Official List”</b>	the official list maintained by the FCA
<b>“Ordinary Shares” or “Shares”</b>	ordinary shares of 1 pence each in the capital of the Company
<b>“Overseas Persons”</b>	a potential investor who is not resident in, or who is not a citizen of, the UK
<b>“Peel Hunt” or “Intermediaries Offer Adviser”</b>	Peel Hunt LLP
<b>“PDMR”</b>	a person discharging managerial responsibilities as defined in Article 3(1)(25) of UK MAR
<b>“Placee”</b>	a person subscribing for Ordinary Shares under the Placing
<b>“Placing”</b>	the conditional placing of Ordinary Shares by Peel Hunt at the Issue Price as described in this Prospectus
<b>“Placing and Offer Agreement”</b>	the placing and offer agreement between the Company, the Investment Manager, the Directors and Peel Hunt, a summary of which is set out in paragraph 12.3 of Part 8 of this Prospectus
<b>“Placing Confirmation”</b>	has the meaning given to it in paragraph 1.4 of Part 10 of this Prospectus
<b>“Property Income Distribution” or “PID”</b>	the distribution by the Company of the profits of its Property Rental Business, including distributions received by it from other UK REITs, by way of a dividend in cash or the issue of share capital in lieu of a cash dividend in accordance with Section 530 of the CTA 2010
<b>“Property Manager”</b>	BMO REP Property Management Limited

<b>“Property Rental Business”</b>	in respect of a REIT, “Property Rental Business” as defined for the purposes of Part 12 CTA 2010
<b>“Prospectus”</b>	this document
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>“QIBs”</b>	persons who are “qualified institutional buyers” as defined in Rule 144A
<b>“Receiving Agent Agreement”</b>	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 12.7 of Part 8 of this Prospectus
<b>“Register”</b>	the register of members of the Company
<b>“Registered Provider” or “RP”</b>	registered charities, housing associations, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government
<b>“Registrar” or “Receiving Agent”</b>	Computershare Investor Services PLC
<b>“Registrar Agreement”</b>	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 12.6 of Part 8 of this Prospectus
<b>“Regulation S”</b>	Regulation S promulgated under the U.S. Securities Act, as amended from time to time
<b>“Regulatory Information Service”</b>	a regulatory information service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>“REIT”</b>	a company or group to which Part 12 of the CTA 2010 applies (including, where relevant, a REIT Group)
<b>“REIT Group”</b>	a group UK REIT within the meaning of Part 12 CTA 2010
<b>“REIT Regime”</b>	Part 12 CTA 2010 (and related regulations)
<b>“Relevant Registered Shareholder”</b>	a Shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder)
<b>“Remuneration and Nomination Committee”</b>	the committee of this name established by the Board and having the duties described in the section titled “ <i>Remuneration and Nomination Committee</i> ” in Part 5 of this document
<b>“Rent Standard”</b>	one of three economic standards with which the RSH expects Registered Providers to comply; it requires Registered Providers to follow specific government policy in setting rents for social housing stock and explicitly states which categories of property are exempt from these requirements
<b>“Reporting Obligation”</b>	any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Company’s status, or the Company’s status as a REIT

<b>“Republic of South Africa”</b>	the Republic of South Africa, its territories and possessions and all areas under its jurisdiction and political sub divisions thereof
<b>“Residual Business”</b>	that part of the business of companies within a REIT that is not part of the Property Rental Business
<b>“RICS”</b>	The Royal Institute of Chartered Surveyors
<b>“RSH”</b>	the Regulator of Social Housing, responsible for regulating Registered Providers of social housing in England to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs
<b>“Rule 144A”</b>	Rule 144A under the US Securities Act
<b>“SDRT”</b>	UK Stamp Duty Reserve Tax
<b>“SEC”</b>	the US Securities and Exchange Commission
<b>“SEDOL”</b>	the Stock Exchange Daily Official List
<b>“Shareholder”</b>	a holder of Ordinary Shares
<b>“SIPP”</b>	a UK self-invested personal pension scheme
<b>“Social Income Adviser”</b>	Social Income LLP
<b>“Social Income Advisory Agreement”</b>	the advisory agreement between the Company, the Property Manager and the Social Income Adviser, a summary of which is set out in paragraph 12.2 of Part 8 of this Prospectus
<b>“Specialised Supported Housing”</b>	accommodation provided for adults aged 18 to 65 years which caters for a range of care needs; typically provided in self-contained accommodation with an element of on-site care and support
<b>“Sponsor”</b>	Dickson Minto W.S., the Company’s sponsor
<b>“SPV”</b>	special purpose vehicle
<b>“SSAS”</b>	a UK small self-administered pension scheme
<b>“Sterling” or “GBP” or “£” or “pence”</b>	pounds sterling, being the lawful currency of the United Kingdom
<b>“Substantial Shareholder”</b>	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be liable to pay tax under Section 551 of CTA 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such person including, at the date of adoption of the Articles, any holder of excessive rights as defined in Section 553 of CTA 2010
<b>“Substantial Shareholding”</b>	the shares in relation to which or by virtue of which (in whole or in part) a person is a Substantial Shareholder
<b>“Supported Housing”</b>	accommodation provided alongside support, supervision or care to help people live as independently as possible in the community

<b>“Takeover Code”</b>	the UK City Code on Takeovers and Mergers
<b>“Target Market Assessment”</b>	has the meaning given to it on page 35 of this Prospectus
<b>“Transforming Care Agenda”</b>	NHS England’s national service model for people with a learning disability and/or autism who display behaviour that challenges, including those with a mental health condition
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK AIFMD Laws”</b>	<ul style="list-style-type: none"> <li>(i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose EU AIFM Directive in to UK law before 31 January 2020 (as amended from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328)); and</li> <li>(ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328), the Technical Standards (Alternative Investment Funds Management Directive) (EU Exit) Instrument 2019 (FCA 2019/37) and the Exiting the European Union: Specialist Sourcebooks (Amendments) Instrument 2019 (FCA 2019/25)</li> </ul>
<b>“UK Corporate Governance Code”</b>	the UK Corporate Governance Code as published by the Financial Reporting Council from time to time
<b>“UK GDPR”</b>	the UK version of the EU GDPR (2016/679) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019
<b>“UK MAR”</b>	the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019
<b>“UK MiFID Laws”</b>	<ul style="list-style-type: none"> <li>(i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing</li> </ul>

measure which operated to transpose EU MiFID II in to UK law before 31 January 2020 (as amended UK Corporate and supplemented from time to time including by: (1) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and

- (ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019

**“UK Money Laundering Regulations 2017”** The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) as amended and supplemented from time to time including by the Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019

**“UK PRIIPs Laws”** the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019 (February 2019); and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019

**“UK Prospectus Amendment Regulations 2019”** the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234

**“UK Prospectus Regulation”** the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including but, not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019))



<b>“uncertificated” or “in uncertificated form”</b>	a share or other security title to which is recorded in the register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST
<b>“Underlying Applicant”</b>	investors who apply to an Intermediary to acquire Ordinary Shares under the Intermediaries Offer
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia, and all other areas subject to its jurisdiction
<b>“UNPRI”</b>	the Principles for Responsible Investment, supported by the United Nations
<b>“US Exchange Act”</b>	US Securities Exchange Act of 1934, as amended
<b>“US Investment Company Act”</b>	the United States Investment Company Act of 1940, as amended
<b>“US Securities Act”</b>	the US Securities Act of 1933, as amended
<b>“US Tax Code”</b>	the US Internal Revenue Code of 1986, as amended
<b>“VAT”</b>	value added tax

## PART 10

### TERMS AND CONDITIONS OF APPLICATION UNDER THE PLACING

#### 1. INTRODUCTION

- 1.1. Participation in the Placing is only available to persons who are invited to participate by Peel Hunt. These terms and conditions apply to persons making an offer to subscribe for Ordinary Shares under the Placing. The Placee hereby agrees with Peel Hunt and the Company to be bound by these terms and conditions as being the terms and conditions upon which the Ordinary Shares will be sold under the Placing. A Placee shall, without limitation, become so bound if Peel Hunt confirms its allocation of Ordinary Shares under the Placing to such Placee.
- 1.2. Upon being notified of its allocation of Ordinary Shares under the Placing, a Placee shall, subject to the provisions of paragraph 7 of this Part 10, be contractually committed to acquire the number of Ordinary Shares allocated to them at the Issue Price and to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitments. Dealing may not begin before any notification is made.
- 1.3. The Company and/or Peel Hunt may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) see(s) fit.
- 1.4. The commitment to acquire Ordinary Shares under the Placing will be agreed orally with Peel Hunt as agent for the Company and may be further evidenced in a contract note ("**Contract Note**") or placing confirmation ("**Placing Confirmation**") and will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Peel Hunt, to subscribe for the number of Ordinary Shares allocated to it on the terms and subject to the conditions set out in this Part 10 and the Contract Note or oral or email Placing Confirmation, as applicable, and in accordance with the Articles. Except with the consent of Peel Hunt, such oral commitment will not be capable of variation or revocation after the time at which it is made.

#### 2. AGREEMENT TO ACQUIRE ORDINARY SHARES

- 2.1. A Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Peel Hunt at the Issue Price, conditional on:
  - 2.1.1. the Placing and Offer Agreement becoming unconditional in respect of the Placing (save for any condition relating to Admission) and not having been terminated on or before the date of Admission of the Ordinary Shares being issued;
  - 2.1.2. Admission of the Ordinary Shares occurring and becoming effective by no later than 5 October 2021 (or such later time as the Company, Peel Hunt and the Sponsor may agree and, in any event, no later than 31 December 2021);
  - 2.1.3. the Minimum Net Proceeds (or such lesser amount as the Company, the Sponsor and Peel Hunt may agree) being raised;
  - 2.1.4. In the event that the Company, in consultation with Peel Hunt, the Sponsor and the Investment Manager, wishes to waive condition 2.1.3 referred to above, the Company will be required to publish a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure).
- 2.2. Subject to the above conditions, a Placee agrees to become a member of the Company and agrees to acquire Ordinary Shares at the Issue Price. The number of Ordinary Shares issued to such Placee under the Placing shall be in accordance with the arrangements described above, subject to the provisions of paragraph 7 of this Part 10 with respect to Ordinary Shares.
- 2.3. If any of the conditions set out in the Placing and Offer Agreement is not fulfilled or, where permitted, waived to the extent permitted by law or regulation in accordance with the Placing and

Offer Agreement, or the Placing and Offer Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time, all proceeds will be returned to Placees without interest and at the Placee's risk and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

- 2.4. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

### **3. PAYMENT FOR ORDINARY SHARES**

- 3.1. Each Placee undertakes to pay the Issue Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by Peel Hunt. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Ordinary Shares may, at the discretion of Peel Hunt, either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply
- 3.2. Each Placee is deemed to agree that if it does not comply with its obligation to pay the Issue Price for the Ordinary Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Peel Hunt elects to accept that Placee's application, Peel Hunt may sell all or any of the Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Peel Hunt's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Ordinary Shares on such Placee's behalf.
- 3.3. Settlement of transactions in the Ordinary Shares following Admission will take place in CREST but Peel Hunt reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

### **4. REPRESENTATIONS AND WARRANTIES**

By agreeing to subscribe for Ordinary Shares, each Placee which enters into a commitment to subscribe for Ordinary Shares will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to agree, undertake, represent, warrant and acknowledge to each of the Company, the Investment Manager, the Registrar, Peel Hunt and the Sponsor that:

- 4.1. it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (a) to subscribe for the Ordinary Shares for each such account; (b) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (c) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Peel Hunt, provided that where the Placee is acting in its capacity as a discretionary investment manager on behalf of its underlying clients (who include individuals and/or retail clients), then it is the discretionary investment manager that is to be regarded as the Placee for the purpose of the terms and conditions set out in this Part 10 and not the underlying client and, for the avoidance of doubt, the representations and warranties given are to be taken as made on behalf of the Placee itself and not their underlying client. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- 4.2. in agreeing to subscribe for Ordinary Shares under the Placing, it is relying solely on this Prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company and/or the Placing, including, without limitation, the Key Information Document. It agrees that none of the Company, the Investment Manager, Peel Hunt, the Sponsor or the

Registrar, nor any of their respective officers, agents, or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

- 4.3. if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, Peel Hunt, the Sponsor or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- 4.4. it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 10 and, as applicable, in the Contract Note or Placing Confirmation, and the Articles as in force at the date of Admission of the relevant Ordinary Shares and agrees that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Ordinary Shares;
- 4.5. it has the power and authority to subscribe for Ordinary Shares under the Placing and to execute and deliver all documents necessary for such subscription;
- 4.6. the price payable per Ordinary Share is payable to Peel Hunt on behalf of the Company in accordance with the terms of these terms and conditions;
- 4.7. it has the funds available to pay for in full the Ordinary Shares for which it has agreed to subscribe and it will pay the total subscription amount in accordance with the terms set out in these terms and conditions on the due time and date;
- 4.8. it has not relied on Peel Hunt or any person affiliated with Peel Hunt or agent of Peel Hunt in connection with any investigation of the accuracy of any information contained in this Prospectus and it has relied on its own investigation with respect to the Ordinary Shares and the Company in connection with its investment decision;
- 4.9. it acknowledges that the content of this Prospectus and any supplementary prospectus issued by the Company prior to Admission is exclusively the responsibility of the Company and its Directors and neither Peel Hunt nor any person acting on its behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this Prospectus, such supplementary prospectus or otherwise;
- 4.10. it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, Peel Hunt or the Sponsor;
- 4.11. it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services);
- 4.12. it accepts that none of the Ordinary Shares has been or will be registered under the laws of the United States, Canada, any member state of the EEA (other than any EEA member state where the Ordinary Shares are lawfully marketed), Australia, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not be sold, issued or delivered, directly or indirectly, into or within the United States, Canada, any member state of the EEA (other than any EEA member state where the Ordinary Shares are lawfully marketed), Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available;

- 4.13. if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order and/or is a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction’s laws and regulations;
- 4.14. if it is a resident in the EEA: (a) it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and (b) if that relevant Member State has implemented the EU AIFM Directive, that it is a person to whom the Ordinary Shares may lawfully be marketed under the EU AIFM Directive or under the applicable implementing legislation (if any) of that relevant Member State;
- 4.15. in the case of any Ordinary Shares acquired by a Placee as a financial intermediary within the EEA as that term is used in Article 5(1) of the EU Prospectus Regulation: (a) the Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State (other than the United Kingdom) other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of Peel Hunt has been given to the offer or resale; or (b) where Ordinary Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;
- 4.16. it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.17. it: (i) is entitled to subscribe for the Ordinary Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Ordinary Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- 4.18. if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing (each a “**Placing Document**”) constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or material could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.19. if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee’s agreement to subscribe for Ordinary Shares under the Placing and will not be any such person on the date any such agreement to subscribe under the Placing is accepted;
- 4.20. it has complied with and will comply with all applicable provisions of the Criminal Justice Act 1993 and the UK MAR with respect to anything done by it in relation to the Issue and/or the Ordinary Shares;
- 4.21. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Ordinary Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no Placing Document is being issued by Peel Hunt in its capacity as an authorised person under section 21 of FSMA and such documents may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;



- 4.22. it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Placing or the Ordinary Shares to any persons within the United States, nor will it do any of the foregoing;
- 4.23. it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading “United States purchase and transfer restrictions” in paragraph 7, below;
- 4.24. no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Ordinary Shares or possession of this Prospectus (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.25. it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Ordinary Shares in, from or otherwise involving, the United Kingdom;
- 4.26. it acknowledges that neither Peel Hunt nor any of its affiliates, nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Peel Hunt and that Peel Hunt does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Placing;
- 4.27. it acknowledges that, save in the event of fraud on the part of Peel Hunt or any person acting on Peel Hunt’s behalf, none of Peel Hunt, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to a Placee or any of its clients for any matter arising out of Peel Hunt’s role as placing agent and intermediaries offer adviser or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 4.28. it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account’s behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Peel Hunt. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- 4.29. if it is acting as a “distributor” (for the purposes of the MiFID II Product Governance Requirements):
  - 4.29.1. it acknowledges that the Target Market Assessment undertaken by the AIFM does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the UK MiFID Laws and EU MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels;
  - 4.29.2. notwithstanding any Target Market Assessment undertaken by the AIFM, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such Ordinary Shares with the end target market;

- 4.29.3. it acknowledges that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom; and
- 4.29.4. it agrees that if so required by Peel Hunt, it shall provide aggregate summary information on sales of the Ordinary Shares as contemplated under rule 3.3.30(R) of the PROD Sourcebook and information on the reviews carried out under rules 3.3.26(R) to 3.3.28(R) of the PROD Sourcebook;
- 4.30. it irrevocably appoints any director of the Company and any director of Peel Hunt to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- 4.31. in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the UK Money Laundering Regulations 2017; or (ii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the UK Money Laundering Regulations 2017 (which may include the provisions of the EU Money Laundering Directive);
- 4.32. it acknowledges that due to anti-money laundering requirements, Peel Hunt, the Sponsor, the AIFM, the Registrar and/or the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Peel Hunt and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Peel Hunt and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- 4.33. it accepts that if the Placing does not proceed or the conditions to the Placing and Offer Agreement are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to the Official List and to trading on the London Stock Exchange's main market for any reason whatsoever then neither of Peel Hunt nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.34. in connection with its participation in the Placing it has observed all relevant legislation and regulations and it will not infringe any applicable law as a result of its agreement to acquire Ordinary Shares under the Placing;
- 4.35. it acknowledges that Peel Hunt and the Company are entitled to exercise any of their rights under the Placing and Offer Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.36. the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that Peel Hunt and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Peel Hunt and the Company;

- 4.37. where it or any person acting on behalf of it is dealing with Peel Hunt, any money held in an account with Peel Hunt on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Peel Hunt to segregate such money, as that money will be held by Peel Hunt under a banking relationship and not as trustee;
- 4.38. any of its clients, whether or not identified to Peel Hunt, will remain its sole responsibility and will not become clients of Peel Hunt for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.39. it accepts that the allocation of Ordinary Shares shall be determined by the Company in its absolute discretion (in consultation with Peel Hunt) and that the Company may scale down any commitments for this purpose on such basis as it may determine;
- 4.40. time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Placing;
- 4.41. it agrees that if Peel Hunt, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares under the Placing, such Placee must promptly disclose it to them;
- 4.42. it authorises Peel Hunt to deduct from the total amount subscribed under the Placing the aggregate commission (if any) payable on the number of Ordinary Shares allocated under the Placing;
- 4.43. its commitment to acquire Ordinary Shares will be agreed orally with Peel Hunt as agent for the Company and that a Contract Note or Placing Confirmation will be issued by Peel Hunt as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Peel Hunt to subscribe for the number of Ordinary Shares allocated to it at the Issue Price on the terms and conditions set out in this Part 10 and, as applicable, in the Contract Note or Placing Confirmation. Except with the consent of Peel Hunt, such oral commitment will not be capable of variation or revocation after the time at which it is made. The commitment to subscribe for Ordinary Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing;
- 4.44. its allocation of Ordinary Shares under the Placing will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of Ordinary Shares that such Placee has agreed to subscribe for; (ii) the aggregate amount that such Placee will be required to pay for such Ordinary Shares; and (iii) settlement instructions to pay Peel Hunt as agent for the Company. The terms of this Part 10 will be deemed to be incorporated into that Contract Note or Placing Confirmation; and
- 4.45. The Company reserves the right to reject all or part of any offer to purchase Ordinary Shares for any reason. The Company also reserves the right to sell fewer than all of the Ordinary Shares offered by this Prospectus or to sell to any purchaser fewer than all of the Ordinary Shares a purchaser has offered to purchase.

## **5. MONEY LAUNDERING**

Each Placee:

- 5.1. represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the UK Money Laundering Regulations 2017 and any other applicable law concerning the prevention of money laundering and, if it is making payment on behalf of a third party, that: (i) satisfactory evidence has been obtained and recorded by it to verify the identity of the third party; and (ii) arrangements have been entered into with the third party to obtain from the third party copies of any identification and verification data immediately on request as required by the UK Money Laundering Regulations 2017 and, in each case, agrees that pending satisfaction of such

obligations, definitive certificates (or allocation under the CREST system) in respect of the Ordinary Shares comprising the Placee's allocation may be retained at the discretion of Peel Hunt;

- 5.2. acknowledges and agrees that, due to anti-money laundering requirements and the countering of terrorist financing requirements, Peel Hunt and/or the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Peel Hunt and/or the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Peel Hunt and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis; and
- 5.3. it is aware of, has complied with and will at all times comply with its obligations in connection with the UK Money Laundering Regulations 2017.

## 6. DATA PROTECTION

- 6.1. Each Placee acknowledges and agrees that it has been informed that, pursuant to the DP Legislation the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company's privacy notice, which is available for review on the Company's website [www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk) (the "**Privacy Notice**"), including for the purposes set out below (collectively, the "**Purposes**"), being to:
  - 6.1.1. process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with the Placee's holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on the Placee;
  - 6.1.2. communicate with the Placee as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
  - 6.1.3. comply with the legal and regulatory obligations of the Company and/or the Registrar; and
  - 6.1.4. process the personal data for the Registrar's internal administration.
- 6.2. In order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
  - 6.2.1. third parties located either within or outside of the UK and the EEA, if necessary for the Registrar to perform its functions or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
  - 6.2.2. its affiliates, the Company (in the case of the Registrar) or the Investment Manager and their respective associates, some of which may be located outside of the UK and the EEA.
- 6.3. Any sharing of personal data by the Company or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company's Privacy Notice.
- 6.4. By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each Placees hereby represents and warrants to the Registrar that it has (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar and their respective associates holding and using their personal data for the Purposes (including the

explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 6).

- 6.5. Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is a natural person he or she has read and understood the terms of the Company's Privacy Notice.
- 6.6. Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants that:
  - 6.6.1. it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company as a result of the Placee agreeing to subscribe for Ordinary Shares; and
  - 6.6.2. the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 6.7. Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
  - 6.7.1. comply with all applicable data protection legislation;
  - 6.7.2. take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
  - 6.7.3. if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
  - 6.7.4. it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect loss and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.

## **7. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS**

- 7.1. Notwithstanding anything else in these terms and conditions, by participating in the Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Manager, the Registrar and Peel Hunt that:
  - 7.1.1. it is either: (i) not located within the United States and is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S; or (ii) a QIB;
  - 7.1.2. if it is a QIB, it acknowledges that the Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred in the United States, except (a) to a person that the seller and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of another QIB or (b) outside the United States in accordance with Regulation S under the US Securities Act, or (c) pursuant to an exemption from registration under the Securities Act or (d) pursuant to an effective registration statement under the Securities Act, and in each case under circumstances that would not require the Company to register under the US Investment Company Act;



- 7.1.3. it acknowledges (i) that the Company has not and will not be registered under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the US Investment Company Act and (ii) the Ordinary Shares may not be deposited into any unrestricted depository facility, unless at the time of such deposit the securities are no longer restricted;
- 7.1.4. unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (a) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (b) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (c) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code. In addition, if a Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- 7.1.5. if any Ordinary Shares are issued to it in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:
- “RESPONSIBLE HOUSING REIT PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT IN ACCORDANCE WITH THE US SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH DO NOT REQUIRE THE COMPANY TO REGISTER UNDER THE US INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS.”;**
- 7.1.6. if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- 7.1.7. it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
- 7.1.8. it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person’s status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;

- 7.1.9. it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
- 7.1.10. it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager, the Registrar, Peel Hunt or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing or its acceptance of participation in the Placing;
- 7.1.11. it has received, carefully read and understands this Prospectus; and
- 7.1.12. if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgments and agreements on behalf of each such account.
- 7.2. The Company, the Investment Manager, the Registrar, Peel Hunt and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.
- 7.3. If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company and Peel Hunt.
- 7.4. The Company reserves the right to reject all or part of any offer to purchase Ordinary Shares for any reason. The Company also reserves the right to sell fewer than all of the Ordinary Shares offered by this Prospectus or to sell to any purchaser less than all of the Ordinary Shares a purchaser has offered to purchase.

## **8. SUPPLY AND DISCLOSURE OF INFORMATION**

If Peel Hunt, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares under the Placing, such Placee must promptly disclose it to them.

## **9. NON UNITED KINGDOM INVESTORS**

- 9.1. If the Placee is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements.
- 9.2. None of the Ordinary Shares has been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, into or within any of United States, Canada, any member state of the EEA (other than any EEA member state where the Ordinary Shares are lawfully marketed), Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, any member state of the EEA (other than any EEA member state where the Ordinary Shares are lawfully marketed), Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available.

- 9.3. The Company reserves the right to treat as invalid any application for Ordinary Shares if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

## **10. MISCELLANEOUS**

- 10.1. The rights and remedies of the Company, the Investment Manager, Peel Hunt and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 10.2. On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 10.3. Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Placing and the appointments and authorities mentioned in this Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, Peel Hunt, the Sponsor and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 10.4. In the case of a joint agreement to subscribe for Ordinary Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 10.5. Peel Hunt and the Company expressly reserve the right to modify the Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing and Offer Agreement and the Placing and Offer Agreement not having been terminated. Further details of the terms of the Placing and Offer Agreement are contained in paragraph 12.3 of Part 8 of this Prospectus.

## PART 11

### TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

#### 1. INTRODUCTION

- 1.1. Ordinary Shares are available under the Offer for Subscription at the Issue Price. The Ordinary Shares are available under the Offer for Subscription only outside the United States pursuant to Regulation S under the US Securities Act. The Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared (if any) by reference to a record date after the date of their issue.
- 1.2. Applications to acquire Ordinary Shares must be made on the Application Form attached as Appendix 1 to this Prospectus or otherwise published by the Company.
- 1.3. In addition to completing and returning the Application Form to the Receiving Agent, investors who intend to hold Ordinary Shares in certificated form will also need to complete and return a Tax Residency Self-Certification Form. The "Tax Residency Self-Certification Form (Individuals)" can be found at Appendix 2 at the end of this Prospectus and further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Computershare Investors Services PLC on +44 (0) 370 7071439. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time), on Business Days. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note, the Receiving Agent cannot provide advice on the merits of an investment in the Company nor give any financial, legal or tax advice.
- 1.4. It is a condition of any application under the Offer for Subscription that a completed version of the Tax Residency Self-Certification Form is provided with the Application Form before any application under the Offer for Subscription can be accepted. Offer for Subscription Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company at the time of receipt. Attempts may be made to contact the relevant applicant and it will be the Company's decision, in its sole discretion, whether these Application Forms can be accepted under the Offer for Subscription.

#### 2. EFFECT OF APPLICATION

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £1,000 or such lesser amount as the Company may determine (at its discretion). Multiple applications under the Offer for Subscription by individual investors will not be accepted.

#### 3. OFFER FOR SUBSCRIPTION TO ACQUIRE SHARES

- 3.1. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:
  - 3.1.1. offer to subscribe for the amount specified in the box in section 1 on your Application Form, or any smaller amount for which such application is accepted at the Issue Price per Ordinary Share, on the terms, and subject to the conditions, set out in this Prospectus, including these terms and conditions of application and the Articles;
  - 3.1.2. agree that, in consideration for the Company agreeing that it will not, prior to the date of Admission, offer any Ordinary Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked, subject to your statutory right of withdrawal in the event of publication of a supplementary prospectus by the Company, and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to the Receiving Agent of your Application Form;

- 3.1.3. undertake to pay the subscription amount specified in the box in section 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Company, the Sponsor and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received at your risk of any proceeds of the remittance which accompanied your Application Form, without interest);
- 3.1.4. agree that, where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST account: (a) the Receiving Agent may in its absolute discretion amend the form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST account or in receiving your remittance in cleared funds); and (b) the Company, the Sponsor and the Receiving Agent may authorise your financial adviser or whoever they may direct to send a document of title for or credit your CREST account in respect of, the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- 3.1.5. agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 3.1.4 of this Part 11 to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled (and any monies returnable to you) may be retained by the Receiving Agent:
- (a) pending clearance of your remittance;
  - (b) pending investigation of any suspected breach of the warranties contained in paragraph 7 below or any other suspected breach of these terms and conditions of application; or
  - (c) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the UK Money Laundering Regulations 2017 and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 3.1.6. agree that, where an electronic transfer of a sum exceeding €15,000 (approximately £13,000) is being made, you will supply your bank statement to show where the sources of the funds have been sent;
- 3.1.7. agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- 3.1.8. agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following



a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account name on which the payment accompanying the application was first drawn without interest and at your risk;

- 3.1.9. acknowledge that the KID relating to the Ordinary Shares prepared by the AIFM pursuant to the UK PRIIPs Laws can be provided to you in paper or by means of a website, but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the lodging of an Application Form represents your consent to being provided the KID via the Company's website ([www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk)) or on such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which such KID will be provided to you;
- 3.1.10. agree that you are not, and agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;
- 3.1.11. undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 3.1.12. undertake to pay interest as described in paragraph 4.3 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 3.1.13. authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed section 3 on your Application Form and, subject to paragraph 3.1.4) above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing bank to the bank account name from which such monies were first received without interest at your risk;
- 3.1.14. confirm that you have read and complied with paragraph 9 below;
- 3.1.15. agree that all subscription payments will be processed through a bank account (the "**Acceptance Account**") in the name of "CIS PLC RE: RESPONSIBLE HOUSING REIT PLC OFFER FOR SUB APPLICATION ACCOUNT" opened by the Receiving Agent;
- 3.1.16. acknowledge that the Issue will not proceed if the conditions set out in paragraph 5 below are not satisfied;
- 3.1.17. agree that your Application Form is addressed to the Company and the Receiving Agent;
- 3.1.18. agree that your application must be for a whole number of Ordinary Shares and the number of Ordinary Shares issued to you will be rounded down to the nearest whole number; and
- 3.1.19. agree that any application may be rejected in whole or in part at the sole discretion of the Company.

#### **4. ACCEPTANCE OF YOUR OFFER**

- 4.1. The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received (accompanied by the validly completed Tax Residency Self-Certification Form), valid (or treated as valid), processed and not rejected) for Ordinary Shares by either: (a) notifying the FCA through a Regulatory Information Service of the basis of allocation (in which case the acceptance will be on that basis); or (b) notifying acceptance to the Company.

- 4.2. The basis of allocation will be determined by the Company in consultation with Peel Hunt and the Investment Manager. The right is reserved, notwithstanding the basis as so determined, to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept:
- 4.2.1. an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these terms and conditions of application; and
  - 4.2.2. an application for less than £1,000, or which is for more than £1,000 but not a multiple of £1,000.
- 4.3. The Receiving Agent will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The right is also reserved to reject in whole or in part, or to scale down or limit, any application. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be two percentage points above the then published bank base rate of a clearing bank selected by the Receiving Agent.
- 4.4. All payments must be in Sterling and cheques or banker's drafts should be payable to "CIS PLC RE: RESPONSIBLE HOUSING REIT PLC OFFER FOR SUB APPLICATION ACCOUNT". Cheques or banker's drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom, Jersey, Guernsey or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Third party cheques may not be accepted, with the exception of building society cheques or banker's drafts where the building society or bank has inserted the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Offer for Subscription that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.
- 4.5. For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 11.00 a.m. on 30 September 2021. Applicants wishing to make a CHAPS payment should contact Computershare Investor Services PLC stating "*RESPONSIBLE HOUSING REIT – OFS APPLICATION*" by email at [responsiblehousingreitoffer@computershare.co.uk](mailto:responsiblehousingreitoffer@computershare.co.uk) for full bank details or telephone the shareholder helpline on 0370 707 1439 or on +44 370 707 1439 (if calling from outside the UK) for further information. Applicants will be provided with a unique reference number which must be used when making the payment. Applicants wishing to make a CHAPS payment must provide Computershare Investors Services PLC with proof of source of funds as per the notes on section 5 of the Application Form.
- 4.6. The terms and conditions of application require that applicants provide cleared funds in support of each application. You should instruct the bank to transfer funds so that they will have taken place (and funds settled) to coincide with the delivery of your Application Form to the Receiving Agent and by no later than 11.00 a.m. on 30 September 2021. It is recommended that such transfers are actioned within 24 hours of posting your application.

- 4.7. When arranging the transfer, you must instruct your bank to provide a reference with the transfer which is the same as the unique reference number provided to you by Computershare Investor Services PLC. This reference is used by Computershare Investor Services PLC to match your payment with an application, and failure to provide a matching reference may delay Computershare Investor Services PLC's ability to process your application and result in it not being accepted. If your reference cannot be matched by Computershare Investor Services PLC to an application, this will be rejected back to the remitting account before the Offer for Subscription closes.
- 4.8. Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.
- 4.9. Please Note – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).
- 4.10. Should you wish to apply for Ordinary Shares by delivery versus payment method ("DvP"), you will need to input the DvP instructions into the CREST system in accordance with your application. The input returned by Computershare Investor Services PLC of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the relevant settlement date.
  - 4.10.1. **By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 8.00 a.m. on 5 October 2021 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by the Company.**

## 5. CONDITIONS

- 5.1. The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:
  - 5.1.1. the Placing and Offer Agreement becoming wholly unconditional in respect of the Issue (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission;
  - 5.1.2. Admission having become effective on or before 8.00 a.m. on 5 October 2021 or such later time and/or date as the Company, Peel Hunt and the Sponsor may agree (being not later than 8.00 a.m. on 31 December 2021); and
  - 5.1.3. the Minimum Net Proceeds being raised (or such lesser amount as the Company and Peel Hunt may determine and notify to investors through a Regulatory Information Service announcement and a supplementary prospectus including a working capital statement based on a revised minimum net proceeds figure).
- 5.2. In circumstances where these conditions are not fully met (or otherwise waived, to the extent able), the Issue will not proceed. In the event that the Company (in consultation with the Sponsor, Peel Hunt and the Investment Manager) decides to reduce the amount of the Minimum Net Proceeds or otherwise waive the condition referred to in paragraph 5.1.3 above, the Company may be required to publish a supplementary prospectus. Any number of shares subscribed for pursuant to the Issue may be allotted if the Minimum Net Proceeds are raised and the offer conditions referred to above are satisfied.
- 5.3. You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

## **6. RETURN OF APPLICATION MONIES**

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest within 14 calendar days at the risk of the person(s) entitled thereto by returning your cheque, or by crossed cheque in your favour, by post, or, in the case of payment(s) made electronically, by a bank transfer by means of a return credit to the remitting bank account (in which case, please note that the processing of refunds between banks can take up to 72 hours to complete). In the meantime, application monies will be retained by the Receiving Agent in a separate account.

## **7. WARRANTIES**

By completing an Application Form, you:

- 7.1. undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 7.2. warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- 7.3. confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus and any supplementary prospectus issued by the Company prior to Admission (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof or any supplementary prospectus shall have any liability for any such other information or representation;
- 7.4. agree that, having had the opportunity to read the Prospectus and the KID, you shall be deemed to have had notice of all information and representations contained therein;
- 7.5. acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and any supplementary prospectus issued by the Company prior to Admission of the Ordinary Shares and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Sponsor, Peel Hunt, the Investment Manager or the Receiving Agent;
- 7.6. warrant that you are not under the age of 18 on the date of your application;
- 7.7. agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- 7.8. warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipt and clearance services);
- 7.9. confirm that you have reviewed the restrictions contained in paragraph 9 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein;

- 7.10. agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- 7.11. agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription and any non-contractual obligations existing under or in connection therewith shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 7.12. irrevocably authorise the Company, the Sponsor or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or the Sponsor and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- 7.13. agree to provide the Company with any information which it, the Sponsor or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations 2017;
- 7.14. warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, the Sponsor, Peel Hunt, the AIFM, the Investment Manager or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- 7.15. agree that the Sponsor and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
- 7.16. warrant that the information contained in the Application Form is true and accurate;
- 7.17. agree that if you request that Ordinary Shares are issued to you on a date other than Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date;
- 7.18. acknowledge that the KID prepared by the AIFM pursuant to the UK PRIIPs Laws can be provided to you in paper or by means of a website, but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the lodging of an Application Form represents your consent to being provided the KID via the website at [www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk), or on such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which the KID will be provided to you;
- 7.19. acknowledge that the content of the Prospectus is exclusively the responsibility of the Company and the Directors and to the extent stated in paragraph 14.6 of Part 8 of the Prospectus, the Investment Manager nor the Sponsor, nor any person acting on their respective behalfs nor any of their respective affiliates are responsible for or shall have any liability for any information published by or on behalf of the Company and will not be liable for any decision to participate in the Offer for Subscription based on any information, representation or statement contained in the Prospectus or otherwise;



- 7.20. acknowledge and understand that the Company may be required to comply with international regimes for the automatic exchange of information (including FATCA and the Common Reporting Standard) and that the Company will comply with requirements to provide information to HMRC which may be passed on to other relevant tax authorities. You agree to furnish any information and documents the Company may from time to time request; and
- 7.21. agree that you are capable, or the underlying client(s) in the case of applications on behalf of professionally-advised private investors are capable themselves, of evaluating the merits and risks of an investment in the Company and have sufficient resources to be able to bear any losses which may result from the investment.

## **8. MONEY LAUNDERING**

- 8.1. You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2017, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity of you as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:
  - 8.1.1. the owner(s) and/or controller(s) (the “**payor**”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
  - 8.1.2. where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons, such person or persons.
- 8.2. Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Computershare Investors Services PLC itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money. Whilst Computershare Investors Services PLC may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is the Sterling equivalent of €15,000 (currently approximately £13,000). Computershare Investors Services PLC may make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about. The checks made at credit reference agencies leave an ‘enquiry footprint’ – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-money laundering checks appear as an enquiry/soft search on the investor’s credit report. The report may contain a note saying ‘Identity Check to comply with Anti-Money Laundering Regulations’.
- 8.3. Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents or CREST account being credited.
- 8.4. Without prejudice to the generality of this paragraph 8, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (currently approximately £13,000). If, in such circumstances, you use a building society cheque or banker’s draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker’s draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and payor an original or copy of that person’s passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than 3 months old: a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee’s risk) together with a signed declaration as to the relationship between the payor and you, the applicant.

- 8.5. For the purpose of the UK Money Laundering Regulations 2017, a person making an application for Ordinary Shares will not be considered as forming a business relationship with either the Company or with the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.
- 8.6. The person(s) submitting an application for Ordinary Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

## **9. NON-UK INVESTORS**

- 9.1. If you receive a copy of the Prospectus or an Application Form in any territory other than the UK, you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Ordinary Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 9.2. None of the Ordinary Shares have been or will be registered under the laws of any member state of the EEA (other than any EEA State where the Ordinary Shares are lawfully marketed), Canada, Japan, Australia, Singapore the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, any member of the EEA (other than any EEA State where the Ordinary Shares are lawfully marketed), Canada, Japan, Australia, Singapore or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within any member state of the EEA (other than any EEA State where the Ordinary Shares are lawfully marketed), Canada, Japan, Australia, Singapore, the Republic of South Africa or the United States (as the case may be). If you subscribe for Ordinary Shares you will, unless the Company and the Registrar agree otherwise in writing, be deemed to represent and warrant to the Company that you are outside the United States, not a resident of the United States, any member state of the EEA (other than any EEA State where the Ordinary Shares are lawfully marketed), Canada, Japan, Australia, Singapore, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the United States or any member state of the EEA (other than any EEA State where the Ordinary Shares are lawfully marketed), Canada (or any political subdivision of either), Japan, Australia, Singapore or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any person in the United States, any resident of the United States, any member state of the EEA (other than any EEA State where the Ordinary Shares are lawfully marketed), Canada, Japan, Australia, Singapore or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into the United States, any member state of the EEA (other than any EEA State where the Ordinary Shares are lawfully marketed), Canada, Japan, Australia, Singapore or the Republic of South Africa or to any resident in any member state of the EEA (other than any EEA State where the Ordinary Shares are lawfully marketed), Canada, Japan, Australia, Singapore or the Republic of South Africa. Unless the Company and the Registrar agree otherwise in writing, no application will be accepted if it shows the applicant or a payor having an address in the United States, any member state of the EEA (other than any EEA State where the Ordinary Shares are lawfully marketed), Canada, Japan, Australia, Singapore or the Republic of South Africa.

## **10. DATA PROTECTION**

- 10.1. Each applicant acknowledges that it has been informed that, pursuant to the DP Legislation, the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a reasonable period after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP

Legislation and shall only process for the purposes set out in the Company's privacy notice, which is available for review on the Company's website [www.bmogam.com/responsible-housing-reit.co.uk](http://www.bmogam.com/responsible-housing-reit.co.uk) (the "**Privacy Notice**"), including for the purposes set out below (collectively, the "**Purposes**"), being to:

- 10.1.1. process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with the applicant's holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
  - 10.1.2. communicate with the applicant as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
  - 10.1.3. comply with the legal and regulatory obligations of the Company and/or the Registrar; and
  - 10.1.4. process the personal data for the Registrar's internal administration.
- 10.2. In order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
  - 10.2.1. third parties located either within, or outside of the UK and the EEA, if necessary for the Registrar to perform its functions, or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
  - 10.2.2. its affiliates, the Company (in the case of the Registrar) or the AIFM and their respective associates, some of which may be located outside of the UK and the EEA.
- 10.3. Any sharing of personal data by the Company or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company's Privacy Notice.
- 10.4. By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each applicant hereby represents and warrants to the Registrar that it has: (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 10).
- 10.5. Each applicant acknowledges that by submitting personal data to the Registrar (acting as agent and on behalf of the Company) where the applicant is not a natural person it represents and warrants that:
  - 10.5.1. it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the applicant may act or whose personal data will be disclosed to the Company as a result of the applicant agreeing to subscribe for Ordinary Shares; and
  - 10.5.2. the applicant has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 10.6. Where the applicant acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she shall, in respect of the personal data he/she processes in relation to or arising in relation to the Issue:
  - 10.6.1. comply with all applicable data protection legislation;
  - 10.6.2. take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;

- 10.6.3. if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- 10.6.4. it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or Registrar in connection with any failure by the applicant to comply with the provisions set out above.

## 11. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

11.1. By participating in the Offer for Subscription, each applicant acknowledges and agrees that it will be further deemed to represent and warrant to each of the Company, the Sponsor, the Investment Manager and the Registrar that:

- 11.1.1. it is outside the United States and it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
- 11.1.2. it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
- 11.1.3. unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Tax Code. In addition, if an applicant is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- 11.1.4. if in the future it decides to offer, resell, pledge or otherwise transfer any Ordinary Shares, it may do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which will not require the Company to register under the U.S. Investment Company Act;
- 11.1.5. if any Ordinary Shares offered and sold pursuant to Regulation S are issued to it in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:
- 11.1.6. **"Responsible Housing REIT plc (the "Company") has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"). In addition, the securities of the Company represented by this certificate have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, this security may not be offered, sold, pledged, exercised or otherwise transferred within the United States except in accordance with the Securities Act or an exemption therefrom and under circumstances which will not require the Company to register under the Investment Company Act, in each case in accordance with all applicable securities laws. Further, no purchase, sale or transfer of the securities represented by this certificate may be made unless**

**such purchase, sale or transfer will not result in the assets of the Company constituting “plan assets” within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or the Plan Assets Regulation”;**

- 11.1.7. if in the future the applicant decides to offer, sell, transfer, assign or otherwise dispose of its Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act. It will not sell or otherwise transfer such Ordinary Shares or any interest therein to any entity, account or other person whose assets constitute the assets of an employee benefit plan or plan for purposes of Title I of ERISA. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- 11.1.8. it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 11.1.9. it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
- 11.1.10. it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
- 11.1.11. it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Sponsor, the Investment Manager, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue;
- 11.1.12. it has received, carefully read and understands the Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other presentation or offering materials concerning the Ordinary Shares to or within the United States, nor will it do any of the foregoing; and
- 11.1.13. if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the applicant has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- 11.2. The Company, the Sponsor, the Investment Manager and the Registrar and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.
- 11.3. If any of the representations, warranties, acknowledgments or agreements made by the applicant are no longer accurate or have not been complied with, the applicant will immediately notify the Company and the Receiving Agent.



## **12. MISCELLANEOUS**

- 12.1. To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.
- 12.2. The rights and remedies of the Company, the Sponsor, the Investment Manager, the Registrar, and the Receiving Agent under these terms and conditions of application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 12.3. The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 11.00 a.m. on 20 September 2021. In that event, the new closing time and/or date will be notified through a Regulatory Information Service.
- 12.4. The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest at the risk of the applicant.
- 12.5. You agree that the Sponsor and the Receiving Agent are acting for the Company in connection with the Issue and no-one else and that none of the Sponsor nor the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.
- 12.6. Save where the context requires otherwise, terms used in these terms and conditions of application bear the same meaning as where used elsewhere in this Prospectus.
- 12.7. If you have any queries please contact Computershare Investors Services on +44 (0) 370 707 1439. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of an investment in the Company nor give any financial, legal or tax advice.

## APPENDIX 1

## APPLICATION FORM FOR THE OFFER FOR SUBSCRIPTION

**For official use only**

Application form for the Offer for Subscription

**RESPONSIBLE HOUSING REIT PLC****Important:** before completing this form, you should read the accompanying notes.

To: Computershare Investor Services PLC  
 Corporate Actions Projects  
 Bristol  
 BS99 6AH

**1. Application**

I/We the person(s) detailed in section 2 below offer to subscribe for the amount shown in the box in section 1 subject to the Terms and Conditions set out in Part 11 of the Prospectus dated 13 September 2021 and subject to the Articles of the Company.

In the box in this section 1 write in figures the aggregate value, at the Issue Price (being £1.00 per Ordinary Share), of the Ordinary Shares that you wish to apply for – a minimum of £1,000 and thereafter in multiples of £1,000.

**Payment Method** (Tick appropriate box)
☐

Cheque/Banker's draft

☐

Bank transfer

☐

CREST Settlement

**2. Details of Holder(s) in whose name(s) Ordinary Shares will be issued (BLOCK CAPITALS)**


Mr, Mrs, Miss or Title:

Forenames (in full):

Surname/Company Name:

Address (in full):

Designation (if any):

Date of Birth:

Mr, Mrs, Miss or Title:

Forenames (in full):

Surname/Company Name:

Address (in full):

Designation (if any):

Date of Birth:



## RESPONSIBLE HOUSING REIT PLC – OFFER FOR SUBSCRIPTION

3:	Mr, Mrs, Miss or Title:	Forenames (in full):
Surname/Company Name:		
Address (in full):		
Designation (if any):		
Date of Birth:		

4:	Mr, Mrs, Miss or Title:	Forenames (in full):
Surname/Company Name:		
Address (in full):		
Designation (if any):		
Date of Birth:		

### 3. CREST details

(Only complete this section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 2).

CREST Participant ID:

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CREST Member Account ID:

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### 4. Signature(s) all holders must sign

Execution by individuals:

First Applicant Signature:		Date	
Second Applicant Signature:		Date	
Third Applicant Signature:		Date	
Fourth Applicant Signature:		Date	

Executed by (name of company):

Executed by (Name of Company):		Date	
Name of Director:	Signature:	Date	
Name of Director/Secretary:	Signature:	Date	
If you are affixing a company seal, please mark a cross here: <div style="display: inline-block; width: 20px; height: 20px; border: 1px solid black; vertical-align: middle;"></div>	Affix Company Seal here:		

**5. Settlement details****(a) Cheque/Banker's Draft**

If you are subscribing for Ordinary Shares and paying by cheque or banker's draft, attach to this form your cheque or banker's draft for the exact amount shown in the box in section 1. Cheques or banker's drafts must be made payable to "CIS PLC RE: RESPONSIBLE HOUSING REIT PLC OFFER FOR SUB APPLICATION ACCOUNT". Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom and must bear the appropriate sort code in the top right hand corner. You should tick the relevant payment method box in section 1.

**(b) Bank transfer**

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00 a.m. on 30 September 2021. Applicants wishing to make a CHAPs payment should contact Computershare Investor Services PLC stating RESPONSIBLE HOUSING REIT OFS by email at [responsiblehousingreitoffer@computershare.co.uk](mailto:responsiblehousingreitoffer@computershare.co.uk) for full bank details or telephone the shareholder helpline on 0370 707 1346 or on +44 370 707 1439 (if calling from outside the UK) for further information. Applicants will be provided with a unique reference number which must be used when making the payment.

Electronic payments must come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that inserted in section 2 of the Application Form and payments must relate solely to your application. You should tick the relevant payment method box in section 1. It is recommended that such transfers are actioned within 24 hours of posting your application.

Evidence of the source of funds may also be required. Typically this will be a copy of the remitting bank account statement clearly identifying the applicant's name, the value of the debit (equal to the application value) and the crediting account details or application reference. A photocopy of the transaction can be enclosed with your application or a pdf copy can also be scanned & emailed to [responsiblehousingreitoffer@computershare.co.uk](mailto:responsiblehousingreitoffer@computershare.co.uk). Photographs of the electronic transfer are not acceptable.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

Please Note – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying application form.

**(c) CREST Settlement**

If you so choose to settle your application within CREST, that is by DvP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share using the CREST matching criteria set out below:

Trade date:	1 October 2021
Settlement date:	5 October 2021
Company:	Responsible Housing REIT plc
Security description:	Ordinary Shares of £0.01
SEDOL:	BMX1W7
ISIN:	GB00BMX1W70
CREST message type:	DEL



## RESPONSIBLE HOUSING REIT PLC – OFFER FOR SUBSCRIPTION

Should you wish to settle by DvP, you will need to input your CREST DEL instructions to Computershare Investor Services PLC's Participant Account 3RA25 by no later than 1.00 p.m. on 4 October 2021.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your own daily trading and settlement requirements.

Applicants wishing to settle by DvP will still need to complete and submit a valid Application Form by the the 11.00 a.m. deadline on 30 September 2021. You should tick the relevant payment method box in section 1.

**Please Note** – Computershare Investment Services PLC will not take any action until a valid DEL message has been alleged to the Participant Account by the applicant. No acknowledgement of receipt or input will be provided.

In the event of late/non settlement the Company reserves the right to deliver Ordinary Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Offer for Subscription have been satisfied.

### 6. Anti-money Laundering

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Computershare Investor Services PLC itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whilst Computershare Investor Services PLC may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is €15,000 (or the Sterling equivalent).

Computershare Investor Services PLC may make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an 'enquiry footprint' – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-money laundering checks appear as an enquiry/soft search on the investors credit report. The report may contain a note saying "Identity Check to comply with Anti Money Laundering Regulations".

### 7. Contact details

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Company (or any of its agents) may contact with all enquiries concerning this application. If no details are provided this may delay obtaining the additional information required and may result in your application being rejected or revoked.

E-mail address:	Telephone no.:
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### 8. Queries

If you have any queries on how to complete this form or if you wish to confirm your final allotment of shares, please call the Computershare Investor Services PLC help line on +44 (0) 370 707 1439. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Company nor give any financial, legal or tax advice.



## **Notes on how to complete the Offer for Subscription Application Form**

***Applications should be returned so as to be received by Computershare Investor Services PLC no later than 11.00 a.m. on 30 September 2021.***

In addition to completing and returning the Application Form to the Receiving Agent, if you intend to hold Ordinary Shares in certificated form you will also need to complete and return a Tax Residency Self-Certification Form. The “Tax Residency Self-Certification Form (Individuals)” can be found at Appendix 2 at the end of this Prospectus. Further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Computershare Investor Services PLC by calling the Helpline Number below.

***It is a condition of application that (where applicable) a completed version of the Tax Residency Self-Certification Form is provided with the Application Form before any application can be accepted.***

**Helpline:** If you have a query concerning the completion of this Application Form, please telephone Computershare Investor Services PLC on +44 (0) 370 707 1439. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### **1 Application**

Fill in (in figures) in the box in section 1 the aggregate value, at the Issue Price (being £1.00 per Ordinary Share), of the Ordinary Shares being subscribed for. The value must be a minimum of £1,000, and thereafter in multiples of £1,000.

Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

### **2 Payment method**

Mark in the relevant box in section 1 to confirm your payment method, i.e. cheque/banker's draft, bank transfer or settlement via CREST.

### **3 Holder details**

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form in section 4.

### **4 CREST**

If you wish your Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 2, enter in section 3 the details of that CREST account. Where it is requested that Ordinary Shares be deposited into a CREST account, please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued, unless settling by DvP in CREST.

### **5 Signature**

All holders named in section 2 must sign section 4 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

By signing, you make the warranties set out in the terms and conditions of application under the Offer for Subscription, including that you are not in the United States.

## **6 Settlement details**

### **(a) Cheque/Banker's draft**

All payments by cheque or banker's draft must accompany your application and be for the exact amount inserted in the box in section 1 of the Application Form. Your cheque or banker's draft must be made payable to "CIS PLC RE: RESPONSIBLE HOUSING REIT PLC OFFER FOR SUB APPLICATION ACCOUNT" in respect of an application and crossed "A/C payee". Applications accompanied by a post-dated cheque will not be accepted.

Cheques or banker's drafts must be drawn on an account where the applicant has sole or joint title to the funds and on an account at a branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner.

Third party cheques may not be accepted, with the exception of building society cheques or banker's drafts where the building society or bank has inserted on the back of the cheque the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity.

### **(b) Bank transfer**

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00 a.m. on 30 September 2021. Applicants wishing to make a CHAPs payment should contact Computershare Investor Services PLC stating RESPONSIBLE HOUSING REIT OFS by email at [responsiblehousingreitoffer@computershare.co.uk](mailto:responsiblehousingreitoffer@computershare.co.uk) for full bank details or telephone the shareholder helpline on 0370 707 1346 or on +44 370 707 1439 (if calling from outside the UK) for further information. Applicants will be provided with a unique reference number which must be used when making the payment.

Electronic payments must come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that inserted in section 2 of the Application Form and payments must relate solely to your application. You should tick the relevant payment method box in section 1. It is recommended that such transfers are actioned within 24 hours of posting your application.

Evidence of the source of funds may also be required. Typically this will be a copy of the remitting bank account statement clearly identifying the applicant's name, the value of the debit (equal to the application value) and the crediting account details or application reference. A photocopy of the transaction can be enclosed with your application or a pdf copy can also be scanned & emailed to [responsiblehousingreitoffer@computershare.co.uk](mailto:responsiblehousingreitoffer@computershare.co.uk). Photographs of the electronic transfer are not acceptable.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

**Please Note** – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying application form.

**(c) CREST settlement**

The Company will apply for the Ordinary Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Initial Admission (the “**Relevant Settlement Date**”). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

The Application Form contains details of the information which the Company’s Receiving Agent, Computershare Investors Services PLC, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Computershare Investors Services PLC to match to your CREST account, Computershare Investors Services PLC will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Computershare Investors Services PLC, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Computershare Investors Services PLC in connection with CREST.

The person named for registration purposes in your Application Form must be: (a) the person procured by you to subscribe for or acquire the Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Computershare Investors Services PLC nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the delivery versus payment (“**DvP**”) instructions into the CREST system in accordance with your application. The input returned by Computershare Investors Services PLC of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the Relevant Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian’s CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 8.00 a.m. on 5 October 2021 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by the Company.

If you so choose to settle your application within CREST, that is by DvP, you or your settlement agent/custodian’s CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share using the following CREST matching criteria set out below:

Trade date:	1 October 2021
Settlement date:	5 October 2021
Company:	<b>Responsible Housing REIT PLC</b>
Security description:	Ordinary Shares of £0.01
SEDOL:	BMX1W7
ISIN:	GB00BMX1W70
CREST message type:	DEL

Should you wish to settle by DvP, you will need to input your CREST DEL instructions to Computershare Investor Services PLC’s Participant Account 3RA25 by no later than 1.00 p.m. on 4 October 2021.

You must also ensure that you or your settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your own daily trading and settlement requirements.

Applicants wishing to settle by DvP will still need to complete and submit a valid Application Form by the 11.00 a.m. deadline on 30 September 2021. You should tick the relevant payment method box in section 1.

**Please Note** – Computershare Investor Services PLC will not take any action until a valid DEL message has been alleged to the Participant Account by the applicant.

No acknowledgement of receipt or input will be provided.

In the event of late/non settlement the Company reserves the right to deliver Ordinary Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Offer for Subscription have been satisfied.

## APPENDIX 2

### TAX RESIDENCY SELF-CERTIFICATION FORM (INDIVIDUALS)

<b>Company that shares are held in: *</b>	<b>Responsible Housing REIT plc</b>
<b>Name: *</b>	
<b>Registered Address: *</b> <i>If your address has changed, then you will need to notify us separately. See the questions and answers.</i>	
<b>Tax Residence Address</b> <i>Only if different to your registered address above</i>	
<b>Date of Birth *</b> <i>(DD/MM/YYYY)</i>	
<b>Country/Countries of Residence for Tax Purposes</b>	
<b>Country of residence for tax purposes</b>	<b>Tax Identification Number*</b> <i>(In the UK this would be your NI number)</i>
1.*	1.*
2.	2.
3.	3.
4.	4.
<b>US Citizen</b> Please mark the box ONLY if you are a US Citizen (see definition below) <div style="display: inline-block; width: 30px; height: 30px; border: 1px solid black; margin-left: 10px;"></div>	
<b>Declarations and Signature</b> I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.  I undertake to advise the Company within 90 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 90 days of such change in circumstances.  I certify that I am the shareholder (or I am authorised to sign for the shareholder**). If this relates to a joint holding, I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.  I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.	
<b>Signature: *</b>	
<b>Print Name: *</b>	
<b>Date: *</b>	
<b>Daytime telephone number/email address***</b>	

\* Mandatory field

\*\* If signing under a power of attorney, please also attach a certified copy of the power of attorney

\*\*\* We will only contact you if there is a question around the completion of the self-certification form





## INTRODUCTION

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including the account holder's tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your registered address (or name) has changed, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Registrar on behalf of the Company with a new, updated, self-certification form within 90 days of such change in circumstances.

### **Joint holders (if relevant)**

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for all joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

**If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.**

### **Definitions**

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

#### **"Account Holder"**

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution or the person whose name appears on the register of entitlement that Computershare Investors Services PLC maintains.

#### **"Country/Countries of residence for tax purposes"**

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a tax identification number (TIN). Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

### **“Tax Identification Number or TIN”**

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

### **“US Citizen”**

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

**If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.**

**NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE**

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### **Questions & answers**

#### ***Why are you asking for a “Tax Residency Self-Certification”?***

The governments of more than 100 countries around the world have agreed to exchange tax related information. These governments have passed similar sets of laws to enable the Automatic Exchange of Information (“**AEOI**”). The full list of countries involved can be seen at: [www.oecd.org/tax/transparency/AEOI-commitments.pdf](http://www.oecd.org/tax/transparency/AEOI-commitments.pdf).

Additionally, the United States has over 100 similar agreements with many countries referred to as the ‘Foreign Account Tax Compliance Act’.

The legislation can vary slightly from jurisdiction to jurisdiction, but at a high level, it requires Financial Institutions to:

- Identify existing Holders that may be resident (for tax purposes) in other participating jurisdictions. Then contact any such Holders and request that they complete a “Tax Residency Self-Certification Form”.
- Obtain a “Tax Residency Self-Certification Form” for all new Holders.
- Identify holders who move from one jurisdiction to another and request that they complete a “Tax Residency Self-Certification Form”.
- Identify Holders who have payments sent to a different jurisdiction.
- Submit a return to the Financial Institution’s “local” tax authority on an annual basis. As an example, for a company incorporated in the UK the local tax authority would be HM Revenue & Customs (HMRC).
- Follow up on any non-responders at least annually for at least 3 years.

The “local” tax authority will pass information onto the tax authority in the relevant jurisdiction. As an example, the tax authority in the US is the Inland Revenue Service (“**IRS**”), so HMRC will exchange information with the IRS.

#### ***Where can I find out more information about the legislation?***

The legislation is quite complex and you may wish to speak to your tax adviser.

The website of your local tax authority will contain more information e.g. HMRC for the UK; the IRS for the US; Jersey Income Tax Department for Jersey, etc.

Additionally, the website of The Organisation for Economic Co-operation and Development (OECD) gives further information.

***What happens if I do not complete the form?***

In the annual report that the Financial Institution sends to their local tax authority you will be shown as 'Undocumented'.

The local tax authority will collate the responses from all of its financial institutions and pass that information onto the relevant local tax authority for the jurisdictions identified.

Computershare Investors Services PLC is not able to comment on what action the tax authority for the jurisdiction will take.

***What if I am a Tax Resident in 2 or more countries?***

The self-certification form allows for up to four (4) tax residencies to be recorded.

***I do not pay tax or I do not know which country I am tax resident in***

Please refer to your local tax authority or tax adviser.

***I do not have a tax identification number***

Please refer to your local tax authority or tax adviser.

Note that different countries call their tax identification numbers using alternative terminology. As an example in the UK it would be a National Insurance number.

***I have already completed a W8 or W9 form. Do I still need to complete a "Tax Residency Self-Certification Form"?***

Yes. The US legislation governing W8/W9 forms overlaps with US FATCA legislation.

***What is classed as my Tax Residence Address?***

Please refer to your local tax authority or tax adviser.

In addition, you may wish to consider: Where you are a citizen with a passport; your residential home address in a country and unrestricted right of entry back into that country once you depart.

***Joint Holders***

When there are multiple holders on an account, then every joint holder must complete a Tax Residency Self-Certification Form and every joint holder will receive a letter in their own right. The letter will be sent to the registered address recorded for the holding.

Joint holders are treated as separate holders for these tax purposes. If any one of the joint holders is reportable, the value of the whole shareholding will be reported for all of the joint shareholder(s).

If we do not receive a validly completed self-certification for each joint shareholder, the whole shareholding will be treated as "undocumented" and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

***Can I use the Self Certification Form to advise of a Change of Name?***

No. You must advise Computershare Investors Services PLC separately. For more information, see [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

***Can I use the Self Certification Form to advise of the death of a holder, or registration of a power of attorney?***

No. You must advise Computershare Investors Services PLC separately. For more information, see [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

***How do I contact Computershare Investors Services PLC to advise of a change of address or any other changes to my account?***

Share Holder Portal: [www.investorcentre.co.uk](http://www.investorcentre.co.uk)

Telephone: +44 (0) 370 707 1439

Calls outside the United Kingdom will be charged at the applicable international rate. The help line is open between 9.00 am and 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

By post to:

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS13 8AE

***I would like future dividends paid into a different bank account***

Contact Computershare Investor Services PLC. For more information, see [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

***I have given a different address for tax purposes – will the registered address of my shareholding be altered?***

No. The details on the Self Certification form are for tax purposes only. If you want to alter any of the registered details relating to your investment then you need to inform Computershare Investor Services PLC. For more information, see [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

***I have recently sold all of the shares – do I still need to complete a Self-Certification form?***

Yes. Your account will be reportable in the current year, but will cease to be reportable in subsequent years.

