

Key Information Document

Purpose

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

Product

Alternative Income REIT PLC

LEI: 213800MPBIJS12Q88F71

ISIN: GB00BDVK7088

Web address: www.alternativeincomereit.com

Call Hanway Advisory Limited on **020 3657 5500** for more information

Competent Authority: Financial Conduct Authority

Date of production: 20 January 2021 (data correct as at 18 December 2020)

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

What is this product?

Type: Closed-ended investment company incorporated in England and Wales as a public limited company and whose shares are admitted to trading on the main market for listed securities of the London Stock Exchange.

Objectives: Alternative Income REIT PLC (the Company) aims to generate a secure and sustainable income return in real terms whilst at least maintaining capital values in real terms through investment in a diversified portfolio of UK properties, predominantly in alternative and specialist sectors. The Company invests in freehold and long leasehold properties across the whole spectrum of the UK property sectors but with a focus on alternative and specialist real estate sectors: leisure, hotels, healthcare, education, logistics, automotive, supported living and student accommodation. The Company focuses on properties with a value (at the time of investment) between £2 million and £30 million that can generate predictable income streams through long leases with ren reviews linked to inflation in the UK. The Company supplements its investment strategy with asset management initiatives.

Borrowing: The Company has borrowed to purchase properties. This will magnify any gains or losses made by the Company. The level of total borrowings will not exceed 40% of gross asset value (measured at drawdown).

Dividends: The Company will target an annual dividend of 5.5 pence per share for the year ended 30 June 2021, with an ambition to grow this in future years by the rate of UK inflation. It is the intention of the directors of the company to pay dividends to shareholders on a quarterly basis.

Intended retail investor: Individuals who are professionally advised or highly knowledgeable, financially sophisticated and who understand (and can evaluate) the risks of an investment in the Company and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from an investment company.

Term: The Company has an indefinite life.

What are the risks & what could I get in return?

Risk indicator



The risk indicator assumes you keep the product for five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 3 out of 7, which is a medium-low risk class. The principal of this product is not guaranteed. This rates the potential losses from future performance at a medium level, and poor market conditions are unlikely to impact our capacity to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

Further details of the risks relevant to the Company are set out in its prospectus which is available at www.alternativeincomereit.com.

What are the risks & what could I get in return? (continued)

Performance Scenarios

Investment = £10,000			
Scenarios	1 year	3 years	5 years
Stress scenario			
What you might get back after costs	£4,052	£5,597	£6,229
Average return each year	-59.48%	-17.59%	-9.03%
Unfavourable scenario			
What you might get back after costs	£8,380	£7,172	£6,516
Average return each year	-16.20%	-10.49%	-8.21%
Moderate scenario			
What you might get back after costs	£9,551	£8,726	£8,108
Average return each year	-4.49%	-4.44%	-4.11%
Favourable scenario			
What you might get back after costs	£10,787	£10,721	£10,389
Average return each year	7.87%	2.35%	0.77%

This table shows the money you could get back over the recommended five-year holding period, under different scenarios, assuming that you invest £10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past performance of a proxy on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Alternative Income REIT PLC is unable to pay out?

The Company is not required to make any payment to you in respect of your investment, save where it has promised to make a payment to you, for example in relation to a declared dividend. You may face a financial loss should Alternative Income REIT PLC default on their obligations. There is no compensation or guarantee scheme in place which may offset all or any of this loss. If you invest in the Company, you should be prepared to assume the risk that you could lose all of your investment.

What are the costs?

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

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

Costs Over Time

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

Investment Scenarios £10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total cost	£763	£1,258	£1,678
Impact on return (RIY) per year	8.12%	4.92%	4.28%

What are the costs? (continued)

Composition of Costs

The table below shows the impact the different types of costs have on the investment return you might get back at the recommended holding period and what the meaning of the different cost categories.

One-off costs		
Entry Costs	2.40%	The impact of the costs you pay when entering your investment.
Exit Costs	2.40%	The impact of the costs of exiting your investment when it matures.
Ongoing costs		
Portfolio Transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product, including tax where applicable.
Other ongoing costs	3.32%	The impact of the costs that we take each year for managing your investments, including tax where applicable.
Incidental costs		
Performance fees	0.00%	The impact of the performance fee. The product does not have any performance or incentive fees.
Carried Interests	0.00%	The impact of carried interests. The product does not have any performance or incentive fees.

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

There are no restrictions on the transferability of the shares. The shares of the Company trade continuously on the London Stock exchange and are not bound by any prescribed redemption or sales restrictions. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it. Shareholders wishing to realise their investment may do so by selling their shares in the market.

There is no required minimum holding period and this product has no maturity. The recommended holding period is expected to be at least five years for shares in the Company. This is on the basis that the underlying property assets are typically relatively illiquid and the Company's investment objective aims to provide shareholders with capital appreciation over the medium to long term.

Prospective investors should not treat the contents of this Key Information Document as advice relation to legal, taxation, investment, or any other matters. 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 its shares.

How can I complain?

As a shareholder of the Company, you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company.

If you have any complaints about the product, the conduct of M7 Real Estate Limited or the person advising on, or selling, this product please feel free to lodge a complaint by contacting the Company Secretary at Hanway Advisory Limited:

Postal address

Hanway Advisory Limited
1 King William Street
London
EC4N 7AF

Email

cosec@hanwayadvisory.com

Other Relevant Information

The cost, performance and risk calculation included in this Key Information Document follow methodology prescribed by EU and UK Regulations. For the purposes of the performance scenarios, this includes the use of proxy data due to relatively short trading history of the company.

The prospectus and additional documents on the Company are available on www.alternativeincomereit.com.