

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

Residential Secure Income Plc (“ReSI”)

www.resi-reit.com

ISIN:GB00BYSX1508

ReSI is managed by ReSI Capital Management Ltd, a wholly owned subsidiary of TradeRisks Ltd.
Call 020 7382 0900 or e-mail info@resi-reit.com for further information.

What is this product?

Type

The object of investment is the purchase of ordinary shares in ReSI, a closed-ended alternative investment fund operating as a Real Estate Investment Trust.

ReSI has only one class of shares and all shareholders have the same rights in regard to voting. The ordinary shares were initially admitted to trading on the Main Market of the London Stock Exchange on 12 July 2017 with an issue price of 100p per ordinary share.

ReSI is targeting inflation-linked dividend of 5% per annum and net total return in excess of 8% per annum. (These are targets only and not profit forecasts. There can be no assurance that the targets can or will be met and should not be taken as an indication of ReSI's expected or actual future results).

ReSI entered the UK REIT regime on 23 November 2017 and will be required to distribute a minimum of 90% of its income profits for each accounting period in order to maintain REIT status. Hence ReSI intends principally to distribute rather than to reinvest profits.

Investment objective

ReSI will invest in residential assets by acquiring portfolios of shared ownership or rental properties throughout the UK. Management of the properties will be outsourced to a housing association or reputable third party provider. These portfolios will be acquired in order to deliver stable inflation-linked income, with the potential for capital growth.

ReSI intends to raise debt finance secured against the properties owned by ReSI. Compared to not doing so, this will leverage any gains or losses made by ReSI. Such debt is intended to be long-term investment grade equivalent debt that matches asset cashflows.

Intended investor

ReSI is appropriate for long-term income driven investors seeking to receive stable income with the potential for capital growth.

Shares of ReSI are traded on the London Stock Exchange and are subject to market pricing. The quoted offer price is at any time higher than the quoted bid price.

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

Risk indicator



The risk indicator assumes you keep the product for 5 years

The risk indicator diagram above is intended to be a guide to the level of risk of this product compared to other products. It is intended to show how likely it is that the investment will lose money because of movements in the markets or otherwise.

We have classified this product as 2 out of 7, which is a low risk class.

The classification rates the potential for losses from future performance at a low level, indicating that it is considered there is a low likelihood that poor market conditions will cause losses from the investment.

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

Performance scenarios (Investment of £10,000)

		1 year	2.5 years	5 years (Recommended minimum holding period)
Stressed scenario	What you might get back after costs	6,732	7,336	6,396
	Average return each year	-32.68%	-11.65%	-8.55%
Unfavourable scenario	What you might get back after costs	9,241	9,144	9,323
	Average return each year	-7.59%	-3.52%	-1.39%
Moderate scenario	What you might get back after costs	10,396	11,014	12,126
	Average return each year	3.96%	3.94%	3.93%
Favourable scenario	What you might get back after costs	11,681	13,250	15,574
	Average return each year	16.81%	11.91%	9.52%

This table shows, under different scenarios, the money you could get back over various investment periods, assuming that you initially invest £10,000.

The returns shown illustrate how your investment could perform. You may compare them with the returns of other products, although the scenarios may not be comparable.

The returns presented are an estimate of future performance based on evidence from the past, and are not an exact indicator. Your returns will vary depending on how the market and the investment perform and how long you keep the product.

The stress scenario shows what you might get back in extreme market circumstances.

The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which will affect your after-tax return.

What happens if ReSI is unable to pay out?

As a closed-ended vehicle, ReSI does not intend to pay out capital. Your ability to realise your investment relies on being able to sell your shareholding.

As a shareholder of ReSI you would not be able to make a claim to the Financial Services Compensation Scheme in regard to ReSI in any circumstances.

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. Please note that the target investment returns quoted under "What is this product?" are given net of these costs.

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

Costs over time

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

Investment	If you sell after 1 year	If you sell after 3 years	If you sell after 5 years (Recommended minimum holding period)
Total costs	180	377	711
Impact on return (RIY) per annum	-1.8%	-1.5%	-1.4%

Composition of costs

The table below shows:

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

This table shows the impact on return per year			
One-off costs	Entry costs	0.5%	The impact of the costs you pay when entering your investment. (Stamp Duty, applicable if purchasing in the secondary market).
	Exit costs	0%	The impact of the costs of exiting your investment when it matures. (This product has no maturity date).
Recurring costs	Portfolio transaction costs per year	0%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.3%	The impact of the costs paid by ReSI each year for managing your investments, plus other fund expenses (e.g. Directors' fees, audit costs).
Incidental costs	Performance fees	0%	The fund manager does not receive any performance based fees.
	Carried interest	0%	

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

Recommended minimum holding period: 5 years

ReSI is appropriate for long-term income driven investors seeking to achieve stable returns with the potential for capital growth. There is no set period for holding shares in ReSI. Shares can be freely bought or sold on demand via markets. There is no fee or penalty for selling your investment before the end of the recommended minimum holding period.

How can I complain?

As a shareholder of ReSI you would not have the right to complain to the Financial Ombudsman Service (FOS) about the management of ReSI. Complaints about the company or the key information document should be sent in writing via post or email to ReSI Capital Management Limited: ReSI Capital Management Ltd, 21 Great Winchester Street, London, EC2N 2JA.

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