

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 – Ordinary shares of £0.01

LEI: 213800MPBIJS12Q88F71

ISIN: GB00BDVK7088

Web address: www.alternativeincomereit.com

PRIIP manufacturer (for the purposes of this document only): Alternative Income REIT PLC Call (+44 (0) 20 3909 3519) for more information.

Manufacturer Competent Authority: Financial Conduct Authority

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

Date of production: 31 December 2023 (cost information as at 29 December 2023)

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 predictable income return, sustainable in real terms, whilst at least maintaining capital values, in real terms, through investment in a diversified portfolio of UK properties, in alternative and specialist sectors. The Company invests in freehold and long leasehold properties across the whole spectrum of the UK property sector, but with a focus on alternative and specialist real estate sectors. Examples of alternative and specialist real estate sectors include, but are not limited to, 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 rent 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 Board is targeting an annual dividend of 5.9 pence per share for the year ended 30 June 2024, with an ambition to grow this in future years. This is not a forecast. Dividends are paid 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 such an investment.

Term: The Company has an indefinite life and has no maturity date.

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-low 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 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)

Main factors likely to affect future returns

The following can all substantially and negatively affect the value of the Company's investments, the rental income it receives and its costs (including financing): changes in general economic and market conditions such as interest rates, rates of inflation and commercial property factors including property valuation and tenant circumstances; political events; regulatory and policy developments (including environmental); and technology changes. These will in turn effect the level of dividend that can be paid to shareholders. The market dictates the discount that the Company's shares trade at compared to its net assets; volatility in the discount can also substantially negatively affect returns. Potential investors should visit the Company's website and read the Company's most recent annual and half-yearly reports. These provide a range of information including the Company's property portfolio, list of tenants, tenancy schedule and details of the Company's loan facility and Investment Adviser. Updates on the net assets and dividend are also released every quarter.

Most relevant index

The Company's property investments are actively managed and not managed with reference to a benchmark. However, the FTSE EPRA Nareit UK and FTSE Small Cap Indices have previously been identified as the most appropriate benchmark against which to assess the relative performance of the Company comparing the share price total return (assuming all dividends re-invested) with the total return from each of these indices over the period since inception of the Company. This comparison can be found in the Company's annual report. The data in the annual report allows a comparison to be made between the Company and the indices in respect of performance. Given the composition of the Company's property portfolio we would not expect the Company to be any more volatile than the benchmarks.

What could affect my return positively?

Factors most likely to contribute positively to returns are an improvement in the UK economic environment accompanied by a reduction in the rate of inflation, lower energy costs, lower (combined with stable) interest rates and political stability.

What could affect my return negatively?

Factors most likely to contribute negatively to returns are tenant default and/or tenant failure, a deterioration of the UK economic position along with continued high inflation, high interest rates and political instability. The impact of severely adverse market conditions could be a fall in net asset value, which could potentially negatively impact the financing arrangements for the portfolio as well as result in a reduction in the level of dividend paid to shareholders. Inability to refinance the Company when its loan facility matures would also negatively impact returns.

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 and there is no guarantee that the investment objective of the Company will be achieved or that the targeted annual dividend will be met. There is no compensation or guarantee scheme in place which may offset all or any of this loss. As a shareholder you will not be able to make a claim against the Company under the Financial Services Compensation Scheme. If you invest in the Company, you should be prepared to assume the risk that you could lose all 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 consider 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	£453	£1,385	£2,372
Impact on return (RIY) per year	4.49%	4.49%	4.49%

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 the meaning of the different cost categories.

One-off costs		
Entry Costs	0.00%	The impact of the costs you pay when entering your investment.
Exit Costs	0.00%	The impact of the costs of exiting your investment when it matures.

Ongoing costs		
Portfolio Transaction costs	0.49%	The impact of the costs of us buying and selling underlying investments for the product, including tax where applicable.
Other ongoing costs*	4.00%	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.

- Finance costs comprise 2% of the ongoing costs in the above table.

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 in 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, 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 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.

This document together with the annual and half-yearly financial reports, the prospectus and other information about the Company are available on www.alternativeincomereit.com.