

Residential Secure Income plc – Pre-Investment Disclosures

Article 23(1) and (2) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the **AIFMD**) requires that AIFMs shall for each of the AIFs that they market in the EEA make available to AIF investors, in accordance with the AIF rules or instruments of incorporation, certain information before they invest in the AIF, as well as any material changes thereof. Article 23 of the AIFMD has been implemented in the United Kingdom through Chapter 3.2 of the Investment Funds sourcebook of the Financial Conduct Authority Handbook (**FUND 3.2**).

This document contains either the information required by Article 23(1) and (2) of the AIFMD/FUND 3.2 to be made available to investors in Residential Secure Income plc (the **Company** or the **AIF**) before they invest in the Company or cross-refers to the relevant document available to investors that contains such information.

This document refers to, and should be read in conjunction with the Prospectus of the Company submitted to and approved by the UK Listing Authority on 22 June 2017. Except as set out below, capitalised terms used in this document have the same meaning as in the Prospectus. This document does not update or amend any part of the Prospectus. This document should also be read in conjunction with any RNS announcements published on the website, from time to time.

DISCLOSURE REQUIREMENT	DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE
Investment strategy and objective of the AIF	<p><i>Investment objective</i></p> <p>The Company's investment objective is to provide Shareholders with an attractive level of income, together with the potential for capital growth, from acquiring a portfolio of Homes across residential asset classes that comprise the stock of Statutory Registered Providers. Such asset classes are categorised as Shared Ownership Homes, Market Rental Homes, Functional Homes and Sub-Market Rental Homes and will provide secure long-term inflation-linked cash flows to the Group.</p> <p><i>Investment policy</i></p> <p>The Company's investment policy is to invest in portfolios of Homes throughout the United Kingdom.</p> <p>The freehold or long leasehold (typically 99 years and longer) interest of Homes will be acquired by the Company directly or indirectly (either through the acquisition of Home-owning vehicles or the entry into joint venture arrangements) with the benefit of long-term (typically 20 years and longer) inflation-linked cash flows.</p> <p>In each case, the Group will outsource the day-to-day management, rent collection and maintenance in respect of a Home.</p> <p>The Group will make use of leverage, put in place on or shortly after the acquisition of Homes, to enhance returns on equity. The Group will only invest in Homes, and forward funding of Homes, with sufficient cashflows, counterparty credit quality and property security that allow the Fund Manager to secure equivalent debt of a credit strength which is equivalent to investment grade based on published rating agency methodologies. This restriction to Homes that can be funded with investment grade debt is the fundamental limitation on asset quality of the Company.</p> <p>The Group will not undertake any direct development activity or</p>

assume direct development risk but may enter into forward funding arrangements without limit subject to the investment restrictions outlined below. These are arrangements with property developing entities (typically expected to be Statutory Registered Providers) whereby the Group forward funds the development of Homes by such developing entities, which will be structured so that the only risk to the Group is the credit risk of such developing entity. In such circumstances, the Group will typically seek to negotiate the receipt of immediate income from the asset, such that the developing entity is paying the Group a return on its investment during the construction phase and prior to the tenant commencing rental payments under the terms of their lease. In addition, the Group may engage in renovating or customising existing Homes, as necessary.

The Group aims to deliver capital growth by holding the Portfolio over the long term and therefore it is unlikely that the Group will dispose of any part of the Portfolio. In the unlikely event that a part of the Portfolio is disposed of, the Group intends to reinvest proceeds from such disposals in assets in accordance with the Investment Policy.

Investment restrictions

The Group will invest and manage the Portfolio with the objective of delivering a high quality Portfolio, which is fundamentally driven by the requirement that Homes have sufficient cashflows, counterparty credit quality and property security that allow the Fund Manager to secure debt of a credit strength which is equivalent to investment grade based on published rating agency methodologies and which is subject to the following investment restrictions:

- the Group will only invest in Homes located in the United Kingdom;
- the Homes will comprise Shared Ownership Homes, Market Rental Homes, Functional Homes and Sub-Market Rental Homes;
- the Group will only invest in Market Rental Homes, Functional Homes and Sub-Market Rental Homes in respect of which the Counterparty is a Statutory Registered Provider, University, Reputable Private Landlord or Reputable Care Provider;
- no Home, or group of Homes forming one contiguous, or largely contiguous, block of Homes (for example a building containing multiple flats), will represent more than 20 per cent. of Gross Asset Value calculated at the time of investment. However, during such time as Gross Asset Value remains below £900 million, the maximum limit for up to two Homes may exceed 20 per cent. but will not exceed 25 per cent. of Gross Asset Value (calculated at the time of investment) per Home in order to facilitate the ownership of certain larger Homes during the Company's initial deployment period;
- the aggregate maximum credit exposure to any Counterparty or Shared Owner, will not exceed 20 per cent. of Gross Asset Value, calculated at the time of investment. However during such time as Gross Asset Value remains below £900 million, the maximum credit exposure to up to two Counterparties and/or Shared Owners may exceed 20 per cent. but will not exceed 25

	<p>per cent. of Gross Asset Value (calculated at the time of investment) per Counterparty and/or Shared Owner in order to facilitate the ownership of certain larger residential assets during the Company's initial deployment period;</p> <ul style="list-style-type: none"> • with respect to forward funded Homes, the maximum exposure to an individual property developing entity will be limited to 20 per cent. of Gross Asset Value calculated at the time of investment. However, during such time as Gross Asset Value remains below £900 million, the maximum limit for up to two individual property developing entities may exceed 20 per cent. but will not exceed 25 per cent. of Gross Asset Value (calculated at the time of investment) per individual property developing entity in order to facilitate the forward funding of Homes during the Company's initial deployment period; and • the Group will not undertake any direct development or speculative development. <p>The Group shall be permitted to acquire any property consisting of Homes and a commercial element, provided that the Fund Manager is satisfied that such commercial element is ancillary to the primary function of such Home as a Shared Ownership Home, Market Rental Home, Functional Home or Sub-Market Rental Home.</p> <p>The investment limits detailed above apply at the time of the acquisition of the relevant investment in the Portfolio. The Group will not be required to dispose of any investment or to rebalance its Portfolio as a result of a change in the respective valuations of its assets or merger of Counterparties.</p> <p><i>Use of derivatives</i></p> <p>The Fund Manager intends to match debt cashflows to those of the underlying assets and therefore does not expect to utilise derivatives. However, to the extent this is not possible, the Group may utilise derivatives for full or partial inflation or interest rate hedging or otherwise seek to mitigate the risk of inflation or interest rate movements. The Group will closely manage any derivatives, in particular with regard to liquidity and counterparty risks.</p> <p>The Group will only use derivatives for risk management and not for speculative purposes.</p> <p><i>Cash management</i></p> <p>Until the Group is fully invested, and pending re-investment or distribution of cash receipts, the Group will invest in cash, cash equivalents, near cash instruments and money market instruments.</p> <p><i>REIT status</i></p> <p>The Directors will at all times conduct the affairs of the Company so as to enable it to become and remain qualified as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder). For further information on the Company's REIT status and the REIT Regime, please refer to Part 7 of the Prospectus.</p>
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Master fund domicile, if relevant	Not applicable.
If the AIF is a fund of funds, the domicile of investee funds	Not applicable.
The type of assets in which the AIF may invest	Please see the investment policy and investment restrictions set out above, and the risk factors contained in the Company's prospectus dated 22 June 2017 (the Prospectus).
Investment techniques that may be employed by the AIF and all associated risks	Please see the investment policy and investment restrictions set out above, and the risk factors contained in the Prospectus.
Investment restrictions	Please see the investment policy and investment restrictions set out above, and the risk factors contained in the Prospectus.
Circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and the maximum level of leverage which the Fund Manager is entitled to employ on behalf of the AIF	<p>The Group will seek to use leverage to enhance equity returns of the Portfolio. The level of borrowing will be determined by the Fund Manager based on the characteristics of the relevant property and asset class and the Fund Manager will seek to achieve a low cost of funds, whilst maintaining the flexibility in the underlying security requirements and the structure of both the Portfolio and the Group.</p> <p>The Fund Manager intends to have indicative terms of any debt funding before completing an acquisition which will mitigate the risk of a funding mismatch arising. When considering any funding proposal, the Fund Manager will make use of its officers' experience, and those of TRL, in accessing long-term fixed rate and inflation-linked debt, which will most appropriately match debt against the cashflow profile of the investment opportunity. The Fund Manager intends to structure the debt by assessing the operational cashflows from the target asset and setting a Debt Service Coverage Ratio that, in combination with the counterparty credit quality and property security, gives efficient funding, which shall be of a credit strength equivalent to investment grade based on published rating agency methodologies. As such the gearing strategy for the Group is more akin to long term project finance debt than to traditional commercial property debt.</p> <p>Debt may be secured or unsecured. If secured, it will be secured at asset level, whether over a particular property or a holding entity for a particular property or series of properties (without recourse to the Company). The Fund Manager intends that all indebtedness will be incurred on a fully or partially amortising basis, to minimise the need to refinance on any final repayment date, with the exception of any working capital facilities raised at the level of the Company.</p> <p>The Group will target an asset level aggregate level of borrowings of 50 per cent of Gross Asset value over the medium term. Aggregate Group borrowings will always be subject to an absolute maximum, calculated at the time of drawdown, of 67 per cent of Gross Asset Value.</p>
Any collateral and asset reuse arrangements	Not applicable.
Procedures by which the AIF may change its investment strategy or	Material changes to the Investment Policy may only be made in accordance with the Listing Rules and the approval of the

investment policy or both	Shareholders by way of ordinary resolution and (for so long as the Ordinary Shares are listed on the Official List) in accordance with the Listing Rules. Non-material changes to the Investment Policy must be approved by the Board, taking into account advice from the Fund Manager where appropriate.
The main implications of the contractual relationship entered into for the purpose of investment including information on jurisdiction, the applicable law and on the existence (or not) of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	<p>The Company is a company limited by shares, incorporated in England and Wales. While investors acquire an interest in the Company on subscribing for or purchasing shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them. Shareholders' rights in respect of their investment in the Company are governed by the Articles and the CA 2006. Under English law, the following types of claims may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.</p> <p><i>Jurisdiction and applicable law</i></p> <p>As noted above, Shareholders' rights are governed principally by the Articles and the CA 2006. By subscribing for the Ordinary Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of England and Wales.</p> <p>The European Union (Withdrawal Agreement) Act 2020 gained Royal Assent on 23 January 2020 (the Withdrawal Agreement Act). The Withdrawal Agreement Act gives effect to the "Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community" (the Withdrawal Agreement).</p> <p>Jurisdiction is dealt with by Article 67(1) of the Withdrawal Agreement. Broadly, that agreement provides "[i]n the United Kingdom, as well as in the Member States in situations involving the United Kingdom" for:</p> <ul style="list-style-type: none"> • The continued application of the Brussels (Recast) Regulation (No. 1215/2012) for legal proceedings "instituted before the end of the transition period": Article 67(1)(a). • The continued application of the Brussels (Recast) scheme for legal proceedings which, although not instituted before the end of the transition period, "are related to such proceedings" pursuant to Articles 29 to 31 of the Brussels (Recast) Regulation: Article 67(1)(a). Articles 29 to 31 of the Brussels (Recast) contain the Regulation's <i>pendens</i> provisions, in particular involving, (i) the same cause of action between the same parties (Article 29), (ii) related actions (Article 30); and (iii) actions which come within the exclusive jurisdiction of several

	<p>courts (Article 31).</p> <p>The Withdrawal Agreement provides for the “transition period” to run until 31 December 2020: Article 126 (although there is provision for extension in Article 132). Thus, as regards new actions commenced up to at least 31 December 2020, jurisdiction will continue to be governed by the Brussels (Recast) Regulation.</p> <p><i>Recognition and enforcement of foreign judgments</i></p> <p>The Withdrawal Agreement provides that “in the United Kingdom, as well as in the Member States in situations involving the United Kingdom” the Brussels (Recast) Regulation will continue to apply to judgments “given in legal proceedings instituted before the end of the transition period”: Article 67(2)(a).</p> <p>The recognition and enforcement of judgments from the remaining 27 Member States of the European Union (the EU27) will therefore continue to be governed by the Brussels (Recast) Regulation, at least in respect of judgments handed down by EU27 Courts in proceedings started before 31 December 2020.</p> <p>The European Enforcement Order Regulation 805/2004 (the EEO Regulation) deals with the recognition and enforcement of judgments, court settlements and authentic instruments given on “uncontested claims”: Article 3(1) of the EEO Regulation.</p> <p>Provided that the relevant European Enforcement Order Certificate (EEO Certificates) was applied for before the end of the transition period, the Withdrawal Agreement provides for the continued application of the EEO Regulation to (Article 67(2)(d)):</p> <ul style="list-style-type: none"> • “judgments given in legal proceedings instituted before the end of the transition period”; and • “court settlements approved or concluded and authentic instruments drawn up before the end of the transition period”. <p>Shareholders should note that there are also a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, the Administration of Justice Act 1920 and the Foreign Judgment (Reciprocal Enforcement) Act 1933 may apply.</p> <p>There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.</p>
<p>The identity of the alternative investment fund manager, the AIF's depositary, auditor and other service providers together with a description of their duties and the investors' rights</p>	<p><i>Fund Manager</i></p> <p>ReSI Capital Management Limited has been engaged as the Fund Manager to advise the Company and provide certain management services in respect of the Portfolio. The Fund Manager will act as the Company's alternative investment fund manager under the AIFMD.</p> <p><i>Depositary</i></p>

	<p>Thompson Taraz Depository Limited has been appointed as Depository to provide cash monitoring, safekeeping and asset verification and oversight functions as prescribed by the AIFMD.</p> <p><i>Registrar</i></p> <p>The Company will utilise the services of Computershare Investor Services Limited in relation to the transfer and settlement of Ordinary Shares held in certificated and uncertificated form.</p> <p><i>Administration and Company Secretarial Services</i></p> <p>MGR Weston Kay LLP has been appointed as Administrator to the Company and Computershare Governance Service (UK) Limited will provide company secretarial services and a registered office to the Company.</p> <p>The Administrator is responsible for calculating the Net Asset Value and the Net Asset Value per Share (in consultation with the Fund Manager and any relevant professional advisers) reporting this to the Board.</p> <p><i>Auditor</i></p> <p>BDO LLP will provide audit services to the Company. The annual report and accounts will be prepared according to accounting standards in line with IFRS.</p> <p><i>Valuation Agent</i></p> <p>A Valuation Agent will be engaged to provide valuation services in respect of the Homes.</p>
<p>A description of how the Fund Manager is complying with the requirements of Article 9(7) of the AIFMD relating to professional liability risk requirements</p>	<p>The AIFM covers potential professional liability risks arising from its activities as the Company's AIFM through additional own funds. As prescribed by the AIFMD, the AIFM retains additional own funds of 0.01% of the value of the Company's funds under management.</p>
<p>A description of any delegated management function as referred to in Annex I of the AIFMD by the Fund Manager and of any safe-keeping function delegated by the depository, the identification of the delegate and any conflicts of interest that may arise from such delegations</p>	<p>Not applicable.</p>
<p>The AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard- to-value assets in accordance with Article 19 of the AIFMD</p>	<p>Valuation of Homes will be calculated by a Valuation Agent on a quarterly basis in accordance with Market Value subject to existing Tenancies methodology (MV-T), as more particularly described in Part 2 of the Prospectus.</p> <p>The Net Asset Value and Net Asset Value per Share will be calculated quarterly by the Administrator in consultation with the Fund Manager and any relevant professional advisers, and will be presented to both the Fund Manager and the Board for its approval and adoption. Calculations are made in accordance with IFRS and, unless the Board determines otherwise, in accordance with EPRA's best practice recommendations. Details of each quarterly Net Asset Value and Net Asset Value per Share will be announced by the</p>

	<p>Company through a Regulatory Information Service and will be available on the Company's website as soon as practicable after their adoption. In addition, the calculations will be reported to Shareholders in the Company's annual report and interim financial statements.</p> <p>The Board may determine that the Company shall temporarily suspend the determination of the Net Asset Value and Net Asset Value per Share when the prices of any investments owned by the Company cannot be promptly or accurately ascertained. Any suspension in the calculation of the Net Asset Value and Net Asset Value per Share will be notified to Shareholders through a Regulatory Information Service as soon as practicable after such suspension occurs.</p>
<p>The AIF's liquidity risk management, including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with investors</p>	<p>The Company is a closed-ended investment company incorporated in England and Wales on 21 March 2017 which carries on its business as the principal company of a REIT. Shareholders are entitled to participate in the assets of the Company attributable to their Shares in a winding-up of the Company or other return of capital, but they have no rights of redemption.</p> <p>Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected. The Company mitigates this risk by maintaining a balance between continuity of funding and flexibility through the use of bank deposits and loans.</p>
<p>Fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors</p>	<p>The on-going annual expenses of the Company for the period ending 30 September 2020 relative to Net Asset Value was 0.6 per cent. (excluding the Fund Management Fee payable to the Fund Manager).</p> <p>Given that many of the fees are irregular in their nature, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.</p>
<p>Fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or alternative investment fund manager</p>	<p>As a company listed on the UK Listing Authority's Official List, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally.</p> <p>In addition, as directors of a company incorporated in England and Wales, the Directors have certain statutory duties with which they must comply. These include a duty upon each Director to act in the way (s)he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.</p> <p>No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.</p> <p>The Shares rank pari passu with each other.</p>
<p>The latest Annual Report referred</p>	<p>As a newly incorporated company, the Company has not yet published its annual report. Once published, annual reports in</p>

to in Article 22 AIFMD	respect of the Company will be available at www.resi-reit.com .
Procedure and conditions for the issue and sale of shares	The Ordinary Shares are admitted to trading on the London Stock Exchange's Main Market for listed securities. Accordingly, the Ordinary Shares may be purchased and sold on the Main Market. New Ordinary Shares may be issued at the Board's discretion and providing relevant Shareholder issuance authorities are in place. Shareholders do not have the right to redeem their Ordinary Shares. While the Company will typically have Shareholder authority to buy back Ordinary Shares, any such buy back is at the absolute discretion of the Board and no expectation or reliance should be placed on the Board exercising such discretion.
Latest net asset value of the AIF	The latest published Net Asset Value and Net Asset Value per Share will be available at www.resi-reit.com .
The historical performance of the AIF	In due course, details of the Company's historical financial performance will be provided in the Company's annual reports and accounts which will be available at www.resi-reit.com .
The identity of the prime broker and a description of any material arrangements with the prime brokers including transfer and reuse of assets and conflicts of interest	Not applicable.
How and when the information required to be disclosed under Article 23(4) and 23(5) of the AIFMD will be disclosed	<p>The Fund Manager is required to make certain periodic disclosures to investors under the AIFMD and the Investment Funds sourcebook of the Financial Conduct Authority Handbook (FUND).</p> <p>Under Article 23(4) of the AIFMD and FUND 3.2.5R, the Fund Manager must disclose to investors periodically:</p> <ul style="list-style-type: none"> • the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature; • any new arrangements for managing the liquidity of the Company; and • the current risk profile of the Company and the risk management systems employed by the Fund Manager to manage those risks. <p>The information shall be disclosed as part of the Company's periodic reporting to investors, as required by the Articles or at the same time as any prospectus and offering document and at a minimum at the same time as the Company's annual report is made available.</p> <p>Under Article 23(4) of the AIFMD and FUND 3.2.6 R, the Fund Manager must disclose on a regular basis any changes to:</p> <ul style="list-style-type: none"> • the maximum level of leverage that the Fund Manager may employ on behalf of the Company; • any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and • the total amount of leverage employed by the Company. <p>Information on changes to the maximum level of leverage and any right of re-use of collateral or any guarantee under the</p>

	<p>leveraging arrangements shall be provided without undue delay.</p> <p>Information on the total amount of leverage employed by the Company shall be disclosed as part of the Company's periodic reporting to investors, as required by the Articles, or at the same time as any prospectus and offering document and at least at the same time as the Company's annual report is made available.</p> <p>Without limitation to the generality of the foregoing, any information required under Article 23(4) of the AIFMD and FUND 3.2.5 R and, Article 23(4) of the AIFMD and FUND 3.2.6 R, may be disclosed (a) in the Company's annual report or half-yearly report; (b) by the Company issuing an announcement via a Regulatory Information System; (c) a subsequent prospectus; and/or (d) by the Company publishing the relevant information on the Company's website.</p>
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