

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART DIRECTLY OR INDIRECTLY, BY ANY MEANS OR MEDIA TO US PERSONS OR IN OR INTO, THE UNITED STATES, AUSTRALIA, SOUTH AFRICA, CANADA OR JAPAN OR ANY OTHER JURISDICTION WHERE TO DO SO MIGHT CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

This document is an announcement and not a prospectus (or prospectus equivalent document). Investors should not purchase or subscribe for any Ordinary Shares referred to in this announcement except on the basis of information contained in the prospectus relating to Residential Secure Income plc dated 22 June 2017 in connection with the initial public offering and the admission of its ordinary shares to the premium segment of the Official List of the UK Listing Authority (the "Official List") and to trading on London Stock Exchange plc's main market for listed securities (the "London Stock Exchange"). A copy of the Prospectus is available from www.resi-reit.com.

This announcement does not constitute an invitation or offer to sell, or the solicitation of an invitation or offer to buy, any Ordinary Shares in the United States or any other jurisdiction in which the same would be unlawful. None of the Ordinary Shares referred to in this announcement shall be sold, issued, subscribed for, purchased, exchanged or transferred in any jurisdiction in contravention of applicable law. Neither this announcement nor any part of it shall form the basis of or be relied on in connection with, or act as an inducement to enter into, any contract or commitment whatsoever.

22 June 2017

Residential Secure Income plc

(the "Company" or "ReSI")

Publication of Prospectus in relation to the Placing and Offer for Subscription to raise up to £300 million and admission to trading on the Main Market of the London Stock Exchange

Further to the announcement made by Residential Secure Income plc on 12 June 2017, the Company today announces the publication of a prospectus ("**Prospectus**") in relation to an initial public offering of Ordinary Shares on the Main Market of the London Stock Exchange ("**IPO**"). The Company is seeking to raise up to £300 million via a placing and an offer for subscription of ordinary shares in the capital of the Company ("**Ordinary Shares**") (the "**Issue**").

A copy of the Prospectus may, subject to any applicable law, be obtained from the registered office of the Company and will be made available for viewing at the National Storage Mechanism at <http://www.morningstar.co.uk/NSM> and on the Company's website (www.resi-reit.com). Defined terms in this announcement will have the same meaning as defined in the Prospectus.

Jefferies International Limited ("**Jefferies**") is acting as sole sponsor, financial adviser and bookrunner in relation to the Issue.

EXPECTED TIMETABLE

2017

Latest time and date for commitments under the Offer for Subscription	1.00 p.m. on Thursday 6 July
Latest time and date for commitments under the Placing	3.00 p.m. on Thursday 6 July
Publication of results of the Issue	Friday 7 July
Admission and dealings in Ordinary Shares commence	8:00 a.m. on Wednesday 12 July

CREST accounts credited with uncertificated Ordinary Shares

Wednesday 12 July

Where applicable, definitive share certificates despatched by post

Week commencing 24 July

FOR FURTHER INFORMATION, PLEASE CONTACT:

ReSI Capital Management Limited (Fund Manager)

+44 (0) 20 7382 0900

Jonathan Slater, Chief Executive
Ken Youngman, Chief Financial Officer
Ben Fry, Investment Manager
Alex Pilato, Director

Jefferies International Limited (Sponsor, Financial Adviser and Bookrunner)

+44 (0) 20 7029 8000

Stuart Klein
Gary Gould
Mark James
Tom Harris

Scott Harris UK Limited (Intermediaries Offer Adviser)

+44 (0) 20 7653 0030

Jeremy Wiseman
Jamie Blewitt

Newgate Communications (PR Adviser)

+44 (0) 20 7680 6550

James Benjamin
Clotilde Gros
Lydia Thompson

Email: resi@newgatecomms.com

Notes to Editors

KEY HIGHLIGHTS

Fundamentally attractive environment for investing in UK Social Housing

- The pressure to build more homes combined with reduction of new UK Government grant is encouraging Housing Associations in the UK to seek new alternative financing routes to support their development plans, including diversifying into other activities to generate profits to replace grant and creating growth plans that do not rely on assets being held on Housing Association balance sheets.
- Similarly, many Local Authorities in the UK are focusing on increasing housing stock in their areas and are seeking private capital to facilitate this development and create new revenues streams to offset reductions to grant funding from the UK Government.
- The Company therefore seeks to meet demand from Housing Associations and Local Authorities for alternative equity-like financing sources, allowing them to re-cycle capital back into economically beneficial new developments.

Secure, long-dated and inflation-linked returns from a defensive asset class

- Homes acquired by the Company will predominantly be freehold or long leasehold basis (typically 99 years or more to maturity) and benefit from long term (typically 20 years plus) inflation-adjusted cash flows with the Company outsourcing day-to-day management, rent collection and maintenance.
- Acquisitions by the Company will be limited to Homes with sufficient cashflows, counterparty credit quality and property security that allow the Fund Manager to arrange long-term investment grade equivalent debt.
- The Company is targeting, on a fully invested and geared basis, a dividend yield of 5 per cent. per annum based on the Issue Price, which the Company expects to increase broadly in line with inflation, and a total return in excess of 8 per cent. per annum¹.

The Fund Manager Group has strong relationships and an extensive track record of executing transactions within the UK social housing sector

- ReSI Capital Management Limited a wholly owned subsidiary of TradeRisks Limited (“**TradeRisks**”), will act as the Company’s AIFM.
- TradeRisks' core client base for corporate finance advice is the UK social housing sector, with its client base concentrated amongst the largest Housing Associations.
- In addition, TradeRisks provides corporate finance advice within the Local Authority sector, as well as to other social infrastructure and specialist residential property clients.
- The Fund Manager Group has advised, and to date, has arranged funding of over £10 billion in the social housing, care and other specialist residential property sectors.

Strong identified pipeline of off-market investment opportunities

- The Fund Manager has identified a strong pipeline of off-market investment opportunities, sourced by the Fund Manager Group through its extensive network of contacts and relationships.
- In particular, the Fund Manager has entered into advanced negotiations on behalf of the Company in respect of the acquisition of portfolios of Homes valued at, in aggregate, approximately £263 million.
- The Fund Manager will target standing investments and forward funded opportunities but will not undertake any direct development or speculative development.
- The Company currently expects the Fund Manager to be able to deploy the net proceeds of the Issue within nine months of Admission.
- ReSI Housing Limited, a wholly owned subsidiary of the Company, submitted a preliminary application to the HCA on 30 May 2017 to apply for Registered Provider status².

Robust corporate governance framework with strong alignment of interest between the Fund Manager and shareholders

- Oversight will be provided by a highly experienced, fully independent Board of Directors.
- The Fund Manager will receive 25 per cent. of the fund management fee in the form of Ordinary Shares. The Fund Manager will not be paid a performance fee.
- The directors of the Fund Manager intend to subscribe for, in aggregate, 1.3 million shares pursuant to the Placing.

THE MARKET OPPORTUNITY

According to the Department for Communities and Local Government (“**DCLG**”), there were 23.5 million dwellings in the UK as at 1 April 2015. This housing stock is made up of 19.4 million private homes and 4.1 million social housing units. Of the private homes 4.3 million are rented privately and 15.1 million are owner occupied. Of the social housing units, 2.45 million are owned by Housing Associations and 1.65 million are owned by Local Authorities.

Investment in the full range of housing sectors is increasingly recognised by Government as necessary in order to increase housing supply. There is also increasing recognition of the role that institutional investment can play, both in terms of accelerating housing delivery and increasing the capacity for UK social housing providers to deliver new homes at scale across a range of sectors.

Housing Associations became more dominant in housebuilding from the 1970s and from 1974 to 1988 they enjoyed government grants up to 100% of the cost of development and as a result the housing association sector grew significantly. From 1988 and the introduction of the mixed funding model, Government grant has declined with Housing Associations taking on more debt to facilitate development. The erosion of grant and increase in debt means some individual housing associations are approaching gearing limits.

These circumstances, and the competing demand of government that housing associations materially increase their contribution to housing supply, are encouraging them to re-cycle assets in order to re-invest in new developments

without exceeding their borrowing constraints. As a result, potential exists for investors such as ReSI to participate in the acquisition and development of social housing assets.

Similarly many Local Authorities in the UK are focusing on increasing housing stock in their jurisdiction and are seeking capital to facilitate this development and create new revenues streams to offset reductions to grant funding from the UK Government.

The lack of availability and affordability of housing in large parts of the UK is well publicised and is attracting increasing policy focus. In the case of Housing Associations, they are increasingly seen as important actors in delivering more housing. Reduced grants and their borrowing capacity impede their ability to deliver greater numbers of housing completions. At the same time, Local Authorities are becoming more active in the delivery of housing using a variety of structures. Private sources of capital are expected to help to unlock and facilitate the delivery of more housing. The changes in the ability of Housing Associations and Local Authorities to finance future growth coupled with long-term structural undersupply of housing across all housing sectors are expected to create more investment opportunities for investors such as ReSI. In addition, the growing imbalance between the availability and affordability of UK social housing should mean that demand for this accommodation remains high.

Notes:

1. This is a target only and not a profit forecast and there can be no assurance that it will be met.
2. The acquisition pipeline is not dependent on ReSI Housing Limited being granted Registered Provider status.

Important notice

The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

This announcement is not a prospectus (or prospectus equivalent document) and investors should not purchase any Ordinary Shares referred to in this announcement except on the basis of information in the Prospectus.

The material set forth herein is for informational purposes only and does not constitute an offer of securities for sale or a solicitation of any offer to buy securities in the United States, Australia, Canada, Japan, South Africa or any other jurisdiction in which such an offer or solicitation is unlawful. The securities referred to herein have not been and will not be registered under the United States 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, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. No public offering of securities will be made in the United States.

The Alternative Investment Fund Managers Directive has been implemented in the United Kingdom through the Alternative Investment Fund Managers Regulations 2013 (as amended) (the AIFM Regulations). For the purpose of the AIFM Regulations, the Company will be a UK AIF. Under the Alternative Investment Fund Managers Directive regime, the AIFM is entitled to passport marketing of the Ordinary Shares into member states of the European Economic Area (EEA). The AIFM has applied to the Financial Conduct Authority (the FCA) to register the Company to enable the marketing of the Ordinary Shares to professional investors in Belgium, Finland, Ireland, Norway, Sweden and The Netherlands under the AIFMD passport procedure under the Alternative Investment Fund Managers Directive passport procedure.

The Ordinary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and that are also permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. The securities may be sold only to purchasers resident in Ontario, Alberta, BC, Quebec, Manitoba, New Brunswick, Nova Scotia, Saskatchewan, or the Yukon Territory.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Bookrunner is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this placing.

This announcement and any information in relation to the Company are exclusively made to, and directed at, regulated qualified investors, as defined in Article 10 para. 3 lit. a and b of the Swiss Collective Investment Schemes Act of 23 June 2006, as amended and its implementing ordinance (the Regulated Qualified Investors). The Company and the Ordinary Shares are not and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). No Swiss representative and no Swiss paying agent have been appointed.

This announcement and/or any other offering materials relating to the Company may be made available in Switzerland solely to Regulated Qualified Investors. Information relating to the Ordinary Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland.

This announcement has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this announcement nor any other offering or marketing material relating to the Ordinary Shares may be publicly distributed or otherwise made publicly available in Switzerland. Neither this announcement nor any other offering or marketing material relating to the Ordinary Shares or the Company have been or will be filed with or approved by any Swiss regulatory authority. In particular, this announcement has not been filed with, and the offering of the Shares will not be supervised by FINMA.

Any purchase of Ordinary Shares in the proposed initial public offering should be made solely on the basis of the information contained in the Prospectus. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness.

The initial public offering timetable, including the date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that the initial public offering and the Admission will occur and you should not base your financial decisions on the Company's intentions in relation to the initial public offering and Admission at this stage. Acquiring Ordinary Shares to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the initial public offering. The value of Ordinary Shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the initial public offering for the person concerned. Past performance or information in this announcement or any of the documents relating to the initial public offering cannot be relied upon as a guide to future performance.

Each of the AIFM and Jefferies International Limited is authorised and regulated in the United Kingdom by the FCA, and is acting exclusively for the Company and no-one else in connection with the initial public offering and Admission. They will not regard any other person as their respective clients in relation to the initial public offering and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the initial public offering an Admission, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the initial public offering and the Admission, Jefferies International Limited and any of its respective affiliates, acting as investors for their own accounts, may purchase Ordinary Shares and in that capacity

may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the initial public offering and the Admission or otherwise. Accordingly, references in the Prospectus to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by Jefferies International Limited and any of their affiliates acting as investors for their own accounts. Jefferies International Limited does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Company, the AIFM or Jefferies International Limited nor any of their respective affiliates or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to this announcement, including the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith. The Company, the AIFM and Jefferies International Limited and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's board of directors' current beliefs and expectations about future events. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, the results of operations, financial condition prospects, growth and dividend policy of the Company and the industry in which it operates. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance.

These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Forward looking statements speak only as of the date of this announcement.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.

Each of the Company, the AIFM and Jefferies International Limited and their respective affiliates expressly disclaim any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.