

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, and potential gains and losses of this product and to help you compare it with other products.

Product

'Custodian Property Income REIT plc' (ISIN: GB00BJFLT45) is manufactured by Custodian Capital Limited. Visit www.custodiancapital.com or call (+44) 116 240 8740 for more information. The Financial Conduct Authority (FCA) is the competent authority of Custodian Capital Limited. This KID was produced on 31 December 2023. **You are about to purchase a product that is not simple and may be difficult to understand.**

What is this product?

Type	This product is a closed-ended real estate investment trust ("REIT"), listed on the London Stock Exchange and incorporated in the United Kingdom. The Company's Ordinary Shares are therefore available to the general public. The manufacturer, Custodian Capital Limited, is authorised and regulated by the Financial Conduct Authority to manage the product as an Alternative Investment Fund.
Objectives	<p>The Company's investment objective is to provide shareholders with an attractive level of income together with the potential for capital growth from investing in a diversified portfolio of commercial real estate properties in the UK.</p> <p>The Company's investment policy is as follows:</p> <p>a) To invest in a diversified portfolio of UK commercial real estate, principally characterised by smaller, regional, core/core-plus properties that provide enhanced income returns. Core real estate generally offers the lowest risk and target returns, requiring little asset management and fully let on long leases. Core-plus real estate generally offers low to moderate risk and target returns, typically high-quality and well-occupied properties but also providing asset management opportunities.</p> <p>b) The property portfolio should not exceed a maximum weighting to any one property sector, or to any geographic region, of greater than 50%.</p> <p>c) To focus on areas with high residual values, strong local economies and an imbalance between supply and demand. Within these locations, the objective is to acquire modern buildings or those that are considered fit for purpose by occupiers.</p> <p>d) No one tenant or property should account for more than 10% of the total rent roll of the Company's portfolio at the time of purchase, except:</p> <p>(i) in the case of a single tenant that is a governmental body or department for which no percentage limit to proportion of the total rent roll shall apply; or</p> <p>(ii) in the case of a single tenant rated by Dun & Bradstreet with a credit risk score higher than 2, in which case the exposure to such single tenant may not exceed 5% of the total rent roll (a risk score of 2 represents "lower than average risk").</p> <p>e) The Company will not undertake speculative development (that is, development of property that has not been leased or pre-leased), save for redevelopment and refurbishment of existing holdings, but may invest in forward-funding agreements or forward commitments (these being, arrangements by which the Company may acquire pre-development land under a structure designed to provide the Company with investment rather than development risk) of pre-let developments where the Company intends to own the completed development. Substantial redevelopments and refurbishments of existing properties that expose the Company to development risk would not exceed 10% of the Company's gross assets.</p> <p>f) The Company may use gearing, including to fund the acquisition of property and cash flow requirements, provided that the maximum gearing shall not exceed 35% of the Company's total assets at the time of borrowing, as an aggregate market value of all the properties of the Company. Over the medium term, the Company is expected to target borrowings of 25% of the Company's total assets, as an aggregate market value of all the properties of the Company at the time of borrowing.</p> <p>g) The Company reserves the right to use efficient portfolio management techniques, such as interest rate hedging and credit default swaps, to mitigate market volatility.</p> <p>h) On a temporary basis, uninvested cash or surplus capital or assets may be invested in:</p> <p>(i) cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or</p> <p>(ii) any "government and public securities" as defined for the purposes of the FCA rules.</p> <p>i) Gearing, calculated as borrowings as a percentage of the aggregate market value of all the properties of the Company and its subsidiaries, may not exceed 35% at the time such borrowings are incurred.</p>
Intended retail investor	Intended consumers comprise eligible counterparties, retail clients and professional clients, who are prepared to take on a level of risk of loss to their original capital in order to get a higher potential return and who typically plan to stay invested for at least five years.

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

Risk Indicator



Lower risk ← → Higher risk

The risk indicator assumes you keep the product for five years.

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 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact the capacity of Custodian Capital Limited 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 Custodian Capital Limited is not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section 'What happens if the investment company is unable to pay out?'). The indicator shown above does not consider this protection.

Investment performance information

The main factors that are likely to affect your future returns are those: (i) that may directly affect the price at which you would be able to sell your shares in the Company; for example, if there is no liquid market in the shares or if significant shareholders sold their shares in the Company; and (ii) that may indirectly affect the price at which you would be able to sell your shares in the Company by having a material impact on the Company's performance; for example, significant decreases in the valuation of the Company's assets or significant decreases in its net recurring earnings.

The Company does not use benchmarking as a comparator for the purpose of monitoring performance and risk.

What could affect my return positively?

Your return will be positively affected if the Company's share price increases and you are able to sell your shares at a premium to the price you paid for such shares on acquisition. The Company's share price performance is likely to be improved if the Company's overall performance (which will be set out in respect of each financial year in the Company's annual report and financial statements) is positive; for example, if the Company's property portfolio increases in value or its net recurring earnings increase.

What could affect my return negatively?

Your return will be negatively affected if the Company's share price decreases and you are not able to sell your shares for more than the price you paid for them on acquisition. The Company's share price is likely to be negatively affected if the Company's performance is not in line with expectations, for example, if the Company's property portfolio decreases in value or its net recurring earnings decrease.

In severely adverse market conditions, there is a risk the Company's share price could reduce significantly, potentially to zero.

What happens if the investment company is unable to pay out?

You may face a financial loss should the product default on its obligations. As a shareholder, you would not be able to make a claim to the Financial Services Compensation Scheme if the product is unable to pay out.

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 the future.

Costs over time

The person selling 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: £10,000 If you cash in after...	1 year	3 years	5 years
Total costs (£)	347	1,019	1,664
Impact on return (RIY) per year (%)	3.47%	3.47%	3.47%

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	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay and you could pay less. This includes the costs of distribution of your product.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.47%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	3.00%	The impact of the costs we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	This product does not charge any performance fees.
	Carried interests	0.00%	This product does not charge any carried interest.

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

Recommended required minimum holding period: five years

There is no minimum or maximum holding period, but it is designed for long-term investment and you should be prepared to stay invested for at least five years. Custodian Property Income REIT plc shares are listed on the London Stock Exchange (Main Market) and can be bought or sold during market opening hours. Transaction costs incurred by the investor comprise stamp duty levied at 0.5% of the value of the purchase, with no costs of disinvestment.

How can I complain?

If you have any complaints about the product, you may lodge your complaint with Custodian Capital Limited (in its capacity as Fund Manager) using the below contact details:

Custodian Capital Limited, 1 New Walk Place, Leicester LE1 6RU

Telephone: (+44) 116 240 8740

Email: property@custodiancapital.com

Any complaints will be responded to within five working days.

Other relevant information

We are required to provide you with further documentation, such as the product's latest prospectus, annual and semi-annual reports. These documents and other product information are available online at www.custodianreit.com. Performance for the purposes of this Key Information Document has been based on share price total return with dividends reinvested. Depending on how you buy these shares, you may incur other costs, including broker commission, issue costs, platform fees and stamp duty. The distributor will provide you with additional documents where necessary. If you are in any doubt about the action you should take, you should seek independent financial advice.