

Bricklane Residential REIT plc

Alternative Investment Fund Managers Directive Fund 3.2.2R Disclosures

This document contains the information required to be made available to investors in Bricklane Residential REIT plc (the "**Company**" or the "**AIF**") before they invest, pursuant to Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the "**AIFM Directive**") and UK implementing measures (the Alternative Investment Fund Managers Regulations No.1773/2013, and consequential amendments to the FCA Handbook). Article 23 of the AIFM Directive 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 is issued by Gallium Fund Solutions Limited (the "**AIFM**") and contains solely the information (or cross-refers to the relevant document available to investors that contains such information) that the AIFM is required to make available to investors in the Company before they invest in the Company pursuant to Article 23(1) and (2) of the AIFM Directive and/or Fund 3.2 and should not be relied upon as the basis for any investment decision.

When there is a material change to the information contained in these disclosures, it shall be updated.

Regulatory reference		Disclosure requirement	Disclosure location or relevant disclosure
AIFMD Article 23	FUND 3.2.2R		
(1) (a)	(1) (a)	a description of the investment strategy and objectives of the AIF	<p>Investment objective</p> <p>The investment objective of the Company is to provide Shareholders with regular, sustainable and growing long-term dividends coupled with the potential for capital appreciation over the medium to long term.</p> <p>Investment policy</p> <p>The Company intends to meet its investment objective by purchasing and then letting, to the extent not already let, a portfolio of residential properties in key locations within UK cities (excluding London), where the Directors believe the income and value potential is greatest.</p> <p>Consistent with its investment objective, it will aim to identify properties which are expected to achieve long-term house price growth and rental yields at an average or above average level for the region. In researching properties and the associated risks, the Investment Adviser will consider factors such as location, property type, demand indicators, and physical and environmental factors.</p> <p>The Company will acquire both houses and flats which will be both new build and existing</p>

			<p>properties. Where appropriate, discounts will be sought on purchases that mitigate or eliminate the transactional costs of investment or provide an element of additional performance.</p> <p>The Company will maintain a let Investment Portfolio, but it will not aim to reflect the UK market at large, including geographic mix. The Company will specifically avoid exposure to prime property, London and rural areas. Attention will also be given to maintaining appropriate diversification and a prudent spread of risk at all times. Initially the Company intends to focus investment in Birmingham, Leeds and Manchester. However the Company reserves the right to invest elsewhere in opportunities that align with its investment objective.</p> <p>Properties will generally be let on an assured shorthold tenancy ("AST") basis. Where opportunities arise and fit with the Company's investment objective, units may be let on a 'part sale, part rent' basis, or let to specialist operators for use as serviced apartments, or units obtained from residential developers on a sale and leaseback basis. Properties subject to non-AST leases will be managed to ensure that the Company is not unduly exposed to counterparty or liquidity risk.</p> <p>The Company may invest in land or buildings for the purposes of development and sale and/or letting subject to the below investment restriction limits. Before purchasing any property for development, the AIFM and the Investment Adviser will take all reasonable steps to ensure the provenance, reliability and financial stability of third parties issuing the purchase contract. Any deposit monies payable under development contracts will be held in escrow and only released to the third party on phased completion of the development or works.</p> <p>The Company will maintain the ability to invest in property related securities, including shares in other REITs, units in authorised property unit trusts, participation in property partnerships and/or property limited partnerships, units in regulated</p>
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			collective investment schemes, and other transferable securities.
1(a)	1(b)	if the AIF is a feeder AIF, information on where the master AIF is established	N/a
1(a)	1(c)	if the AIF is a fund of funds, information on where the underlying funds are established	N/a
1(a)	1(d)	a description of the types of assets in which the AIF may invest	The Company meets its investment objective through purchasing and then letting, to the extent not already let, a portfolio of residential properties in key locations within UK cities (excluding London), where the Directors believe the income and value potential is greatest.
1(a)	1(e)	the investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ and all associated risks	<p>Investment origination</p> <p>The Investment Adviser takes a location-led approach to sourcing opportunities. Areas of interest in UK cities will be identified based on analysis of past price and rent trends, planned supply, demographic shifts, length of commute, customer demand indicators and other key data points.</p> <p>Opportunities will be sourced by the Investment Adviser for approval by the AIFM and the Company from new build developers, estate agents managing existing properties and, in time, directly from individuals themselves. Where possible, properties will be bought at a discount in order to seek to minimise Stamp Duty Land Tax and other costs of acquisition.</p> <p>In purchasing individual houses and flats, opportunities can easily be sourced on the mass market from portals such as Zoopla, as well as through existing relationships with housing associations and developers.</p> <p>Due Diligence</p>

			<p>All further investments, whether originated by the Investment Adviser or otherwise, will be subject to appropriate due diligence and agreement on acquisition price, and RICS valuation by an independent third party valuer.</p> <p>Before presentation to the AIFM and the Company, the Investment Adviser will undertake comprehensive and rigorous due diligence on each opportunity, its alignment to the investment objective of the Company and the fit with the Investment Portfolio as a whole. The Investment Adviser will undertake investment monitoring on behalf of the Company and AIFM, with reports on performance delivered on a quarterly basis.</p> <p>Approval and execution</p> <p>Once full due diligence is undertaken, proposed purchases will be presented to the Board and AIFM for final approval, based on quality of the opportunity and fit with the Company's investment objective. Initially, these approvals will take place on an ad hoc basis, and will become more regular in time.</p> <p>Once approved, the Investment Adviser will execute transactions on the Company's behalf, liaising with appropriate legal and financial suppliers, as well as surveyors and valuers.</p> <p>Summary of key risks</p> <ul style="list-style-type: none"> • The Group may have to bear the cost of compliance with building regulations, including but not limited to the cost of undertaking surveys or remedial works. While the Group may seek to benefit from government funding made available to cover such costs, there is no guarantee that the Company will be able to obtain such funding or that such funding will cover all of the associated costs. Should the Group have to bear such costs, they may have a material adverse effect on the Company's financial position and results of operations. If the Group's properties do not comply with relevant building regulations, it may be unable to insure such properties or it may only be able to insure such
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			<p>properties at a significantly higher cost than would otherwise be the case until the non-compliance is remedied.</p> <ul style="list-style-type: none"> • Properties which do not comply with building regulations may be unmortgageable, unsaleable and/or difficult to value, which may have a material adverse effect on the Company's financial position and results of operations. The Group is currently in breach of a loan covenant in respect of interest cover ratios on the Loan (as defined below). Although the Directors are working with the lender, the Bank, to come to a mutually agreeable solution in relation to the breach and the Bank has not yet enforced any rights under the loan agreement (the BR Acquisitions Facility Agreement) in relation to breach of covenant, as a result of the breach of covenant the Company may be required to repay the loan on demand and accordingly may need to sell assets and/or use other currently unencumbered assets as collateral in respect of the loan and/or take out additional borrowing to do so. • The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share. • An investment in the Shares may be illiquid. • The Group uses gearing, and may in the future use further gearing. The Group may be obliged to arrange additional debt funding in order to fund the Company's contingent obligation to repurchase Shares pursuant to the BRUT Sale of Properties Agreement. Any amounts that are secured under a bank facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Group's assets not grow at a rate sufficient to cover the costs of establishing and operating the Group, on a liquidation of the Company,
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			<p>Shareholders may not recover their initial investments.</p> <ul style="list-style-type: none"> • The Group may be obliged to sell property assets in order to fund the Company's contingent obligation to repurchase Shares pursuant to the BRUT Sale of Properties Agreement. These asset sales would be in addition to those sold to remedy the breach of covenant on the Loan. • The value and/or market price of the Shares may go down as well as up. • Conditions affecting the UK property market. • The management and performance of the Investment Portfolio and any assets which the Company may invest in or acquire in the future may be affected by the impact on the global economy and businesses that COVID-19 (or another pandemic or epidemic) is currently having or may have in the future. • Property valuation is inherently subjective and uncertain. • The Company's investments are illiquid and may be difficult or impossible to realise at any particular time. • Concentration risk. • The Company is dependent on the attractiveness of the UK as a place to live, work and study. • The Company's performance will depend on occupancy rates, the rental income it produces and the duration of tenancies which may be influenced by external factors outside the Company's control. • The Company is dependent on the AIFM, the Investment Adviser and other third party suppliers.
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			<ul style="list-style-type: none"> • The Company may suffer losses in excess of insurance proceeds, if any, or from uninsurable events. • If the Company fails to maintain REIT status for UK tax purposes, its profits and gains will be subject to UK corporation tax.
1(a)	1(f)	any applicable investment restrictions	<p>Investment restrictions</p> <p>The Company will observe the following investment restrictions:</p> <ul style="list-style-type: none"> • the value of no single asset at the time of investment will represent more than 20 per cent. of the Gross Asset Value of the Investment Portfolio; • at least 50 per cent. of the Gross Asset Value of the Investment Portfolio will be invested in directly held properties; • no more than 15 per cent. of the Gross Asset Value of the Investment Portfolio may at any time consist of property that is under development. For these purposes, "development" excludes refurbishment work and includes forward funding development and forward commitments; • no more than 20 per cent. of the Gross Asset Value of the Investment Portfolio may consist of property where income in respect of such portion of the Investment Portfolio is dependent on the successful completion of structural refurbishment work; and • no more than 15 per cent. of the Gross Asset Value shall be invested in any one collective investment undertaking. <p>The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and will not, at any time, conduct any trading activity which is significant in the context of the business of the Company as a whole.</p>

			<p>The Directors currently intend to conduct the affairs of the Company so as to enable it to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).</p> <p>In the event of a breach of the investment policy and investment restrictions set out above, the Directors upon becoming aware of such breach will consider whether the breach is material, and if it is, notification will be made through a TISE announcement.</p>
1(a)	1(g)	the circumstances in which the AIF may use leverage	<p>For the purposes of financing the Acquisition, BR Acquisitions has taken on a £5,900,000 fixed rate term loan facility (the "Loan"), pursuant to which BR Acquisitions and BR Holdings have granted security over the BRUT Portfolio and certain other property and assets of the Group in accordance with the terms of the BR Acquisitions Facility Agreement. The Company may be obliged to arrange additional debt funding should it be necessary to do so in order to fund any repurchase of the Subscription Shares which the Company is required to make pursuant to the terms of the BRUT Sale of Properties Agreement (sale of the Subscription Shares is currently ongoing, whilst the Company is considering its options to facilitate an exit for the Subscribers. The Company may be required to sell property assets out of its then current portfolio and/or arrange additional debt funding and/or use the proceeds of any future equity fundraising, should it be necessary to do so in order to fund the repurchase of the Subscription Shares).The Group may in the future use further gearing in order to generate short term cash flow facilities and create short term liquidity in respect of redemptions.</p> <p>The Group will look to maintain a conservative level of gearing and intends to limit the Group borrowings to a maximum of 40 per cent. of the Group's gross assets at the relevant time.</p>
1(a)	1(h)	the types and sources of leverage permitted and associated risks	<p>The Group does take on, and may in the future take on further, leverage in accordance with the Company's borrowing policy. Investors should be aware that, whilst the use of borrowings should enhance Net Asset Value per Share, where the value of the Group's underlying assets is rising, it will have the opposite effect where the underlying</p>

			<p>asset value is declining. In addition, in the event that the rental income derived from the Group's property assets declines, including as a result of defaults by the tenants pursuant to their leases with the Group, the use of borrowings will amplify the impact of such declines on the net revenue of the Group and, accordingly, this may have a material adverse effect on the Group's profitability, dividend payments, the Net Asset Value and the price of the Shares.</p> <p>If the value of the Group's assets falls, the Net Asset Value of the Company will reduce. Furthermore, the borrowings which certain Group companies may use are expected to contain loan to value covenants, being the accepted market practice in the UK. If real estate assets owned by Group companies and used as collateral for any borrowings decrease in value such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; a call for additional capital from the lender; or payment of a fee to the lender; or in such cases where other remedies were not available, it could require a sale of an asset, or a forfeit of any asset to a lender. This could result in a total or partial loss of equity value for each specific asset, or indeed the Group as a whole.</p> <p>Any increase in Sterling interest rates could have an adverse impact on the Group's cost of borrowing or its ability to secure borrowing facilities and could result in the expected dividends of the Company being reduced and a reduction in the price of the Shares.</p> <p>Any amounts that are secured by a Group company under a loan facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Group's assets generate insufficient returns to cover the Group's operating costs and interest expense, Shareholders may not recover their initial investment on a liquidation of the Company or when they sell their Shares.</p> <p>Shareholders should be aware that the Group is currently in breach of a loan covenant in respect of interest cover ratios on the Loan (as defined below). Although the Directors are working with the lender, the Bank, to come to a mutually agreeable</p>
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			<p>solution in relation to the breach and the Bank has not yet enforced any rights under the loan agreement (the BR Acquisitions Facility Agreement) in relation to breach of covenant, as a result of the breach of covenant the Company may be required to repay the loan on demand and accordingly may need to sell assets and/or use other currently unencumbered assets as collateral in respect of the loan and/or take out additional borrowing to do so.</p>
1(a)	1(i)	any restrictions on the use of leverage and any collateral and asset reuse arrangements	<p>Borrowings employed by the Group may either be secured on individual assets without recourse to the Company or by a charge over some or all of the Company's assets to take advantage of potentially preferential terms.</p>
1(a)	1(j)	the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	<p>Save as specifically outlined at FUND 3.2.2R 1(g) above, the Company does not intend to use borrowing.</p> <p>The level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds, whilst maintaining flexibility in the underlying security requirements.</p> <p>The AIFM Directive prescribes two methods of measuring and expressing leverage (as opposed to gearing) and requires disclosure of the maximum amount of 'leverage' the Company might be subject to. The definition of leverage is wider than that of gearing and includes exposures that are not considered to be gearing.</p> <p>Without prejudice to the foregoing (in compliance with the investment policy concerning gearing), the Company has set a maximum leverage limit of 1.66x (on both a "gross" and "commitment" basis).</p>
1(b)	(2)	a description of the procedures by which the AIF may change its investment strategy or investment policy, or both	<p>No material change will be made to the investment policy and investment restrictions except in accordance with TISE Listing Rules.</p>

1(c)	(3)	<p>a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF is established</p>	<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 Company's Articles and the Companies Act. Under English law, the following types of claim 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>Jurisdiction and applicable law</p> <p>As noted above, Shareholders' rights are governed principally by the Articles and the Companies Act. By subscribing for 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").</p> <p>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</p>
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			<p>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>lis 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 courts (Article 31). <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>Recognition and enforcement of foreign judgments</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</p>
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			<p>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>
1(d)	(4)	the identity of the AIFM, the AIF's depository, the auditor and any other service providers and a description of their	<p>AIFM</p> <p>Gallium Fund Solutions Limited, Gallium House Unit 2, Station Court, Borough Green, Sevenoaks, Kent TN15 8AD United Kingdom.</p> <p>Gallium Fund Solutions Limited has been appointed as the Company's external AIFM. The</p>

		<p>duties and the investors' rights</p>	<p>AIFM is responsible for the Company's risk and portfolio management.</p> <p>Investment Adviser</p> <p>Bricklane Investment Services Ltd, 20 Baltic Street, London EC1Y 0UL United Kingdom.</p> <p>Bricklane Investment Services Ltd has been appointed as the Investment Adviser for the Company with responsibility for providing investment advice in accordance with the Company's investment objectives and policy, subject to the overall supervision and control of the Directors.</p> <p>TISE Sponsor</p> <p>Carey Olsen Corporate Finance Limited, 47 Esplanade, St Helier, JE1 0BD Jersey.</p> <p>Carey Olsen Corporate Finance Limited has been appointed as TISE Sponsor to the Company.</p> <p>Depository</p> <p>Gallium P E Depository Limited, Gallium House Unit 2, Station Court, Borough Green, Sevenoaks, Kent TN15 8AD United Kingdom.</p> <p>Gallium P E Depository Limited has been appointed as depository to the Company. The Depository acts as the sole depository of the Company and is, amongst other things, responsible for:</p> <ul style="list-style-type: none"> • ensuring the Company's cash flows are properly monitored; • the safe keeping of the assets of the Group; and • the oversight and supervision of the Company in conjunction with the AIFM. <p>Auditor</p> <p>Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW, United Kingdom.</p>
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			ombudsman.org.uk). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("FSCS") if they have claims against an FCA-authorised service provider which is in default. There are limits on the amount of compensation. Further information about the FSCS is available at www.fscs.org.uk . To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.
1(e)	(5)	a description of how the AIFM complies with the requirements referred to in IPRU-INV 11.3.11G (professional negligence) relating to professional liability risk	Professional liability risks resulting from those activities which the AIFM carries out pursuant to the AIFM Directive, are, to the extent required by law, covered by the AIFM through additional own funds.
1(f)	(6)	a description of:	
1(f)	(6a)	any AIFM management function delegated by the AIFM	N/a
1(f)	(6b)	any safe-keeping function delegated by the depositary	N/a
1(f)	(6c)	the identity of each delegate appointed in accordance with FUND 3.10 (Delegation)	N/a
1(f)	(6d)	any conflicts of interest that may arise from such delegations	N/a

1(g)	(7)	<p>a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in line with FUND 3.9 (Valuation)</p>	<p>Property valuation:</p> <p>The Directors use professional independent property valuers to value properties owned by the Company on a monthly basis. There is an in-person valuation before purchase, followed by a monthly 'desk valuation' based on review of the market over the past month. Further in-person inspections will be performed as considered necessary by the Directors, likely to be every three to five years. The valuations of the Group's properties are at fair value as determined by the Valuer on the basis of market value in accordance with the internationally accepted RICS Red Book.</p> <p>Details of each monthly valuation, and of any suspension in the making of such valuations, are announced by the Company via a TISE announcement as soon as practicable after the relevant valuation date.</p> <p>Calculation of Net Asset Value</p> <p>The Net Asset Value (and Net Asset Value per Share) is calculated monthly by the AIFM. Calculations are made in accordance with IFRS. Details of each monthly valuation, and of any suspension in the making of such valuations, are announced by the Company via a TISE announcement as soon as practicable after the end of the relevant half year. The monthly valuations of the Net Asset Value (and Net Asset Value per Share) are calculated on the basis of the most recent valuation of the Company's Investment Portfolio.</p>
1(h)	(8)	<p>a description of the AIF's liquidity risk management, including the redemption rights of investors in normal and 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 28 July 2016 which carries on 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</p>

			<p>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. If the Company is obliged to arrange additional debt funding should it be necessary to do so in order to fund any repurchase of the Subscription Shares that the Company is required to make pursuant to the terms of the BRUT Sale of Properties Agreement, this could increase the Company's liquidity risk profile.</p>
1(i)	(9)	<p>a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors</p>	<p>The annual running costs of the Company excluding fees for property valuation, the Annual Management Charge and SDLT costs are estimated to be in the region of 2.00 – 3.00 per cent. of the Net Asset Value of the Company. This figure excludes any non-recurring or extraordinary expenses. The Annual Management Charge is 0.85 per cent. per annum of the Net Asset Value of the Company (exclusive of VAT).</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>
1(j)	(10)	<p>a description of how the AIFM ensures a fair treatment of investors</p>	<p>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 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>Save as specifically outlined in FUND 3.2.2R (11) below, 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 <i>pari passu</i> with each other.</p>
1(j)	(11)	<p>whenever an investor obtains preferential treatment or the right to obtain preferential</p>	

		treatment, a description of:	
1(j)	(11)	(a) that preferential treatment;	<p>Pursuant to the terms of the BRUT Sale of Properties Agreement:</p> <ul style="list-style-type: none"> the Sellers are entitled to nominate a board observer to attend and speak at all meetings of the Board. These board observer rights will fall away should the Sellers' (and/or members of their group) cease to hold 5 per cent. or more of the issued share capital of the Company; and the Company was obliged to provide the Subscribers with the opportunity to offer the Subscription Shares for sale alongside the issue of Shares under the 2019 Share Issuance Programme at a price equivalent to the 2019 Issue Price, so as to facilitate an exit for the Subscribers in tranches to be agreed between the Company and CHL. As the Subscribers still hold Subscription Shares subsequent to 31 July 2020 (save where they have elected not to offer such Subscription Shares for sale pursuant to the Sale Mechanism), the Company is, subject to applicable law and regulation, obliged to offer to buy back such Remaining Shares at a price per Subscription Share of not less than the Net Asset Value per Share.
1(j)	(11)	(b) the type of investors who obtain such preferential treatment; and	The preferential treatment disclosed at FUND 3.2.2R 11(a) above applies in respect of the Subscribers (and/or members of their group) who have acquired Shares in the Company pursuant to the BRUT Sale of Properties Agreement.
1(j)	(11)	(c) where relevant, their legal or economic links with the Company;	The investors who obtain the preferential treatment disclosed at FUND 3.2.2R 11(a) above have legal and economic links with the Company by virtue of their, or members of their group, being shareholders in the Company and having sold the BRUT Portfolio to the Group.
1(l)	(12)	the procedure and conditions for the	The Shares are admitted to listing and to trading on TISE Official List. Accordingly, the Shares may be purchased and sold on TISE.

		issue and sale of units or shares	New 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 Shares. While the Company will typically have Shareholder authority to buy back 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.
1(m)	(13)	the latest net asset value of the AIF or the latest market price of the unit or share of the AIF, in line with FUND 3.9 (Valuation)	As at 22 February 2021, the unaudited Net Asset Value per Share was £ 0.9537. When published, Net Asset Value announcements can be found on the Company's website: www.bricklane.com/plc/residential .
1(k)	(14)	the latest annual report, in line with FUND 3.3 (Annual report of an AIF)	The Company has published its annual report for the period ending 30 June 2019 in line with FUND 3.3. When published, annual reports can be found on the Company's website: www.bricklane.com/plc/residential .
1(n)	(15)	where available, the historical performance of the AIF	The Company has published its audited financial statements for the period ended 30 June 2019 and unaudited interim financial statements for the six months ended 31 December 2019. When published, annual and interim financial statements can be found on the Company's website: https://bricklane.com/plc/residential .
1(o)	(16a)	the identity of the prime brokerage firm	N/a
1(o)	(16b)	a description of any material arrangements of the AIF with its prime brokerage firm and the way any conflicts of interest are managed	N/a

1(o)	(16c)	the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets	N/a
1(o)	(16d)	information about any transfer of liability to the prime brokerage firm that may exist	N/a
1(p)	(17)	a description of how and when the information required under FUND 3.2.5R and FUND 3.2.6R will be disclosed	<p>In order to meet the requirements of FUND 3.2.5 R, the Company intends to disclose annually in the Company's annual report (pursuant to FUND 3.3):</p> <p>(1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature, if applicable;</p> <p>(2) any new arrangements for managing the liquidity of the Company; and</p> <p>(3) the current risk profile of the Company and the risk management systems employed by the Company to manage those risks.</p> <p>Information will also be provided to investors regarding any changes to:</p> <p>(a) the maximum level of leverage that the Company may employ;</p> <p>(b) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and</p> <p>(c) the total amount of leverage employed by the Company.</p> <p>To meet the requirements of FUND 3.2.6 R, this information will be provided to investors by way of an update to these disclosures or in such other manner the Company deems appropriate.</p>
AIFMD Article 23(2)	FUND 3.2.3		

23(2)	(1)	An AIFM shall inform investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability, in accordance with Article 21(13).	The Depositary has not delegated any safekeeping functions in respect of the Company.
	(2)	The AIFM must also inform investors without delay of any changes with respect to depositary liability.	Without limitation, Shareholders may be informed (a) in the Company's annual report, (b) by the Company issuing an announcement via a TISE announcement. or (c) by the Company publishing the relevant information on the Company's website.

For the purposes of this disclosure, the following terms bear the following meanings:

"2019 Issue Price"	the applicable price at which the relevant Shares were to be issued as calculated by reference to the Net Asset Value per Share at the time of the issue pursuant to the 2019 Share Issuance Programme;
"2019 Share Issuance Programme"	the programme under which the Company could issue Shares throughout the period commencing 17 September 2019 to 16 September 2020;
"Acquisition"	the acquisition, on 25 February 2020, by BR Acquisitions, of a portfolio of 74 properties in Birmingham and Manchester for the Acquisition Price;
"Acquisition Price"	the aggregate acquisition price for the BRUT Portfolio, being £12,700,000;
"Annual Management Charge"	the fee payable by the Company to the Investment Adviser pursuant to the terms of the Investment Advisory Agreement;
"Articles"	the articles of association of the Company;
"Auditor"	means the auditors from time to time of the Company, the current such auditors being Grant Thornton UK LLP who are registered with the Institute of Chartered Accountants of England and Wales;
"Bank"	Barclays Bank PLC;
"BR Acquisitions Facility Agreement"	the agreement dated 21 February 2020 between BR Acquisitions (as borrower), BR Holdings (as parent) and the Bank (as lender), pursuant to which the Bank has provided BR Acquisitions with a Sterling property investment loan facility, in the form of a fixed rate

	term loan, in the amount of £5,900,000 in connection with the financing of the Acquisition;
"BR Acquisitions"	Bricklane Regional Acquisitions Limited, a wholly owned indirect subsidiary of the Company;
"BR Holdings"	Bricklane Regional Holdings Limited, a wholly owned direct subsidiary of the Company;
"BRUT Portfolio"	the portfolio of 74 properties (62 in Birmingham and 12 in Manchester) purchased by BR Acquisitions from the Trustee, Sheene and Keegan pursuant to the BRUT Sale of Properties Agreement;
"BRUT Sale of Properties Agreement"	the agreement, dated 25 February 2020, between BR Acquisitions, the Company, the Investment Adviser, CHL, Eantropaidh Limited, the Trustee, Sheene, Keegan, CS1, CS2, and CS3 pursuant to which BR Acquisitions purchased the BRUT Portfolio from the Sellers;
"CHL"	Caementum Holdings Limited;
"Companies Act"	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force;
"CTA 2010"	the Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force;
"CS1"	Caesar Subsidiary 1 Limited;
"CS2"	Caesar Subsidiary 2 Limited;
"CS3"	Caesar Subsidiary 3 Limited;
"Depository"	Gallium P E Limited, in its capacity as the Company's depository;
"Directors" or "Board"	the board of directors of the Company;
"FCA"	the Financial Conduct Authority;
"FSMA"	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force;
"Gross Asset Value"	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time;
"Group"	the Company and the other companies in its group for the purposes of section 606 of CTA 2010;
"IFRS"	International Financial Reporting Standards;
"Investment Adviser"	Bricklane Investment Services Ltd;
"Investment Advisory Agreement"	the agreement dated 15 September 2016 between the Company, the AIFM and the Investment Adviser in respect of the provision of investment advisory services by the Investment Advisor to the Company;

"Investment Portfolio"	the Group's aggregate property portfolio from time to time;
"Keegan"	Keegan Nominee Limited;
"Net Asset Value per Share"	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation;
"Net Asset Value"	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time;
"REIT"	a Real Estate Investment Trust as defined in Part 12 of the CTA 2010;
"Remaining Shares"	Subscription Shares held by the Subscribers subsequent to 31 July 2020 (save where they have elected not to offer such Subscription Shares for sale pursuant to the Sale Mechanism) which the Company is, subject to applicable law and regulation, obliged to offer to buy back at a price per Subscription Share of not less than the Net Asset Value per Share;
"RICS Red Book"	means the Royal Institution of Chartered Surveyors Valuation – Professional Standards Incorporating the International Valuation Standards, Global edition (2017) and UK edition January 2014 (revised April 2015);
"RICS"	Royal Institution of Chartered Surveyors;
"Sale Mechanism"	the opportunity that the Company was obliged to provide the Subscribers to offer the Subscription Shares for sale alongside the issue of Shares under the 2019 Share Issuance Programme at a price equivalent to the 2019 Issue Price, so as to facilitate an exit for the Subscribers in tranches to be agreed between the Company and CHL;
"SDLT"	stamp duty land tax;
"Sellers"	the Trustee, Sheene and Keegan;
"Shareholder"	a holder of Shares;
"Shares"	ordinary shares of one penny each in the capital of the Company, designated as such and having the rights and being subject to the restrictions specified in the Articles;
"Sheene"	Sheene Nominee Limited;
"Sterling"	the lawful currency of the United Kingdom;
"Subscribers"	CS1, CS2 and CS3;
"Subscription Amount"	£4,956,922.86 of the Acquisition Price;
"Subscription Shares"	in connection with the Acquisition, the 4,169,745 Shares in the Company subscribed for, in aggregate, by the Subscribers in satisfaction of the Subscription Amount;

"TISE Listing Rules"	the listing rules of TISE governing the listing of securities on TISE;
"TISE Official List"	the official list maintained by TISE;
"TISE Sponsor"	Carey Olsen Corporate Finance Limited;
"TISE"	The International Stock Exchange (formerly the Channel Islands Securities Exchange Authority);
"Trustee"	Lutea Trustees Limited (as sole trustee of the British Residential Unit Trust);
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"Valuer"	such professional independent real estate valuer as may be appointed by the Company from time to time; and
"VAT"	value added tax.