

**ESP**

Empiric  
Student  
Property

Open Offer, Placing and Offer for Subscription  
July 2017

• PROSPECTUS

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This document constitutes a prospectus relating to Empiric Student Property Plc (the "**Company**") (the "**Prospectus**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority ("**FCA**") made pursuant to section 84 of FSMA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules. This Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at [www.empiric.co.uk](http://www.empiric.co.uk).

This Prospectus has been issued in connection with the issue of up to 137,614,678 Shares pursuant to the Placing, the Open Offer and the Offer for Subscription (together the "**Issue**").

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Shares issued pursuant to the Issue to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective, and that dealings in such new Shares will commence, at 8.00 a.m. on 24 July 2017.

The Company and the Directors, whose names appear on page 46 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Potential investors should read the whole of this Prospectus and, in particular, their attention is drawn to the risk factors set out on pages 28 to 39 of this Prospectus.**

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## **EMPIRIC STUDENT PROPERTY PLC**

*(incorporated in England and Wales with registered number 08886906 and registered as an investment company under Section 833 of the Companies Act)*

### **PROSPECTUS**

#### **Placing, Open Offer and Offer for Subscription of up to 137,614,678 Shares at an Issue Price of 109 pence per Share**

**Sponsor, Joint Financial Adviser and  
Sole Global Coordinator and Bookrunner**

**JEFFERIES INTERNATIONAL LIMITED**

**Joint Financial Adviser**

**AKUR LIMITED**

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Jefferies International Limited ("**Jefferies**"), which is authorised and regulated in the United Kingdom by the FCA is acting exclusively for the Company and for no-one else, will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Jefferies, nor for providing advice in connection with the Issue, Admission, the contents of this Prospectus or any matters referred to therein.

Akur Limited ("**Akur**") is authorised and regulated in the United Kingdom by the FCA. Akur is acting exclusively for the Company and for no-one else, will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Akur, nor for providing advice in connection with the Issue, Admission, the contents of this Prospectus or any matters referred to therein.

The Open Offer will remain open until 11.00 a.m. on 19 July 2017, the Placing will remain open until 3.00 p.m. on 19 July 2017 and the Offer for Subscription will remain open until 11.00 a.m. on 19 July 2017. Persons wishing to participate in the Open Offer should complete the Open Offer Application Form or settle the relevant CREST instructions (as appropriate). To be valid, Open Offer Application Forms must be completed and returned with the appropriate remittance, by post to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during business hours only), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received by no later than 11.00 a.m. on 19 July 2017.

Persons wishing to participate in the Offer for Subscription should complete the Application Form set out in the Appendix to this Prospectus. To be valid, Application Forms must be completed and returned with the appropriate remittance, by post to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during business hours only), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to be received by no later than 11.00 a.m. on 19 July 2017.

If you sell or have sold or otherwise transferred your Shares in certificated form before 8.00 a.m. on 4 July 2017 (being the ex-entitlement date for the Open Offer) please send this Prospectus, together with any Open Offer

Application Form, if received, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee except that this Prospectus and the Open Offer Application Form should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so may constitute a violation of local securities laws or regulations, including, but not limited to, the Excluded Territories. If you sell or have sold or otherwise transferred all or some of your Shares held in uncertificated form before 8.00 a.m. on 4 July 2017 (being the ex-entitlement date for the Open Offer), a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Basic Entitlements and Excess CREST Open Offer Entitlements to the purchaser or transferee. If you sell or have sold or have otherwise transferred only part of your holding of Shares held in certificated form before 8.00 a.m. on 4 July 2017 (being the ex-entitlement date for the Open Offer), you should refer to the instruction regarding split applications in Part 12 of this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies and Akur by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Jefferies and Akur do not accept any responsibility whatsoever and make no representation or warranty, express or implied, for the contents of this Prospectus, including its accuracy or completeness, or for any other statement made or purported to be made by either of them, or on behalf of them, the Company or any other person in connection with the Company or the Shares and nothing contained in this Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of Jefferies and Akur accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

Investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission and, if given or made, such information or representations must not be relied upon as having been so authorised by the Group, Jefferies or Akur. Without prejudice to the Company's obligations under the Prospectus Rules, neither the delivery of this Prospectus nor any subscription for or purchase of Shares made pursuant to the Issue, under any circumstances, creates any implication that there has been no change in the affairs of the Group since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

Each of Jefferies and Akur and any of their respective affiliates may have engaged in transactions with, and provided various investment banking financial advisory and other services for the Company, for which they would have received customary fees. Each of Jefferies and Akur and any of their respective affiliates may provide such services to the Company in the future.

In connection with the Issue, each of Jefferies and Akur and any of their respective affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Shares and other securities of the Company or related investments in connection with the Issue or otherwise. Accordingly, references in this Prospectus to Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Jefferies and Akur and any of their respective affiliates acting as an investor for its or their own account(s). Neither Jefferies nor Akur nor any of their respective affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Jefferies and Akur may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Jefferies and Akur may from time to time acquire, hold or dispose of shareholdings in the Company.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities or regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only, (i) outside the United States to non U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder, and (ii) pursuant to a private placement to persons located inside the United States or U.S. Persons that are "qualified institutional buyers" (as the term is defined in Rule 144A under the U.S. Securities Act) that are also "qualified purchasers" within the meaning of section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") in reliance on the exemption from registration provided by Section 4(a)(2) of the U.S. Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Copies of this Prospectus will be available on the Company's website ([www.empiric.co.uk](http://www.empiric.co.uk)) and the National Storage Mechanism of the FCA at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm).

Dated: 4 July 2017

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## SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

<b>Section A – Introduction and warnings</b>		
<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
<b>A.1.</b>	<b>Warning</b>	<p>This summary should be read as an introduction to this Prospectus. Any decision to invest in Shares should be based on consideration of this Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
<b>A.2.</b>	<b>Subsequent resale or final placement of securities through financial intermediaries</b>	<p>The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries.</p> <p>The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this Prospectus is given commences on 4 July 2017 and closes at 11.00 a.m. on 19 July 2017.</p> <p><b>Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</b></p>
<b>Section B – Issuer</b>		
<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
<b>B.1.</b>	<b>Legal and commercial name</b>	Empiric Student Property Plc.

<b>B.2.</b>	<b>Domicile and legal form</b>	The Company was incorporated in England and Wales on 11 February 2014 with registered number 08886906 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.																																																																																																																		
<b>B.5.</b>	<b>Group description</b>	<p>The Company is the holding company of the Group and has the following subsidiaries, all of which are wholly-owned:</p> <table border="0"> <thead> <tr> <th data-bbox="643 432 1098 454"><i>Name</i></th> <th data-bbox="1114 432 1393 454"><i>Principal activity</i></th> </tr> </thead> <tbody> <tr> <td>Brunswick Contracting Limited</td> <td>Development management company</td> </tr> <tr> <td>Empiric (Alwyn Court) Limited</td> <td>Property holding company</td> </tr> <tr> <td>Empiric (Baptist Chapel) Limited</td> <td>Property holding company</td> </tr> <tr> <td>Empiric (Bath Canalside) Limited</td> <td>Property holding company</td> </tr> <tr> <td>Empiric (Bath James House) Limited</td> <td>Property holding company</td> </tr> <tr> <td>Empiric (Bath JSW) Limited</td> <td>Property holding company</td> </tr> <tr> <td>Empiric (Bath Piccadilly Place)</td> <td>Property holding company</td> </tr> <tr> <td>Empiric (Bath Oolite Road) Limited</td> <td>Property 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Empiric (Lancaster Penny Street 3) Limited	Property holding company																																																																																																																			
Empiric (Leeds Algernon) Limited	Property holding company																																																																																																																			
Empiric (Leeds Cookridge) Limited	Property holding company																																																																																																																			
Empiric (Leeds Mary Morris) Limited	Property holding company																																																																																																																			
Empiric (Leeds Pennine House) Limited	Property holding company																																																																																																																			
Empiric (Leeds St Marks) Limited	Property holding company																																																																																																																			

		<i>Name</i>	<i>Principal activity</i>
		Empiric (Leicester 134 New Walk) Limited	Property holding company
		Empiric (Leicester 136-138 New Walk) Limited	Property holding company
		Empiric (Leicester 140-142 New Walk) Limited	Property holding company
		Empiric (Leicester 160 Upper New Walk) Limited	Property holding company
		Empiric (Leicester Bede Park) Limited	Property holding company
		Empiric (Leicester De Montfort Square) Limited	Property holding company
		Empiric (Leicester Hosiery Factory) Limited	Property holding company
		Empiric (Leicester Peacock Lane) Limited	Property holding company
		Empiric (Leicester Shoe & Boot Factory) Limited	Property holding company
		Empiric (Liverpool Art School/Maple House) Limited	Property holding company
		Empiric (Liverpool Chatham Lodge) Limited	Property holding company
		Empiric (Liverpool Grove Street) Limited	Property holding company
		Empiric (Liverpool Hahnemann Building) Limited	Property holding company
		Empiric (Liverpool Octagon/Hayward) Limited	Property holding company
		Empiric (London Camberwell) Limited	Property holding company
		Empiric (London Francis Gardner) Limited	Property holding company
		Empiric (London Road) Limited	Property holding company
		Empiric (Manchester Victoria Point) Limited	Property holding company
		Empiric (Manchester Ladybarn) Limited	Property holding company
		Empiric (Newcastle Metrovick) Limited	Property holding company
		Empiric (Northgate House) Limited	Property holding company
		Empiric (Nottingham 95 Talbot) Limited	Property holding company
		Empiric (Nottingham Frontage) Limited	Property holding company
		Empiric (Nottingham Frontage) Leasing Limited	Property leasing company
		Empiric (Oxford Stonemason) Limited	Property holding company
		Empiric (Picturehouse Apartments) Limited	Property holding company
		Empiric (Portobello House) Limited	Property holding company
		Empiric (Portsmouth Elm Grove Library) Limited	Property holding company
		Empiric (Portsmouth Europa House) Limited	Property holding company
		Empiric (Portsmouth Europa House) Leasing Limited	Property leasing company
		Empiric (Portsmouth Registry) Limited	Property holding company
		Empiric (Portsmouth Kingsway House) Limited	Property holding company
		Empiric (Provincial House) Limited	Property holding company
		Empiric (Provincial House) Leasing Limited	Property leasing company
		Empiric (Reading Saxon Court) Limited	Property holding company
		Empiric (Reading Saxon Court) Leasing Limited	Property leasing company
		Empiric (Snow Island) Limited	Property holding company
		Empiric (Southampton) Limited	Property holding company
		Empiric (Southampton) Leasing Limited	Property leasing company
		Empiric (St Andrews Ayton House) Limited	Property holding company
		Empiric (St Andrews Ayton House) Leasing Limited	Property leasing company
		Empiric (St Peter Street) Limited	Property holding company
		Empiric (St Peter Street) Leasing Limited	Property leasing company
		Empiric (Stirling Forthside) Limited	Property holding company
		Empiric (Stirling Forthside) Leasing Limited	Property leasing company
		Empiric (Stoke Caledonia Mill) Limited	Property holding company
		Empiric (Summit House) Limited	Property holding company
		Empiric (Talbot Studios) Limited	Property holding company
		Empiric (Trippet Lane) Limited	Property holding company
		Empiric (Trippet Lane) Leasing Limited	Property leasing company
		Empiric (Twickenham Grosvenor Hall) Limited	Property holding company
		Empiric (York Foss Studios 1) Limited	Property holding company
		Empiric (York Lawrence Street) Limited	Property holding company
		Empiric (York Percy's Lane) Limited	Property holding company
		Empiric Acquisitions Limited	Intermediate holding company
		Empiric Investment Holdings (Two) Limited	Intermediate holding company
		Empiric Investment Holdings (Three) Limited	Intermediate holding company
		Empiric Investment Holdings (Four) Limited	Intermediate holding company
		Empiric Investment Holdings (Five) Limited	Intermediate holding company
		Empiric Investment Holdings (Six) Limited	Intermediate holding company
		Empiric Investments (One) Limited	Intermediate holding company
		Empiric Investments (Two) Limited	Intermediate holding company
		Empiric Investments (Three) Limited	Intermediate holding company
		Empiric Investments (Four) Limited	Intermediate holding company
		Empiric Investments (Five) Limited	Intermediate holding company
		Empiric Investments (Six) Limited	Intermediate holding company
		Empiric Student Property Trustees Limited	Trustee of the EBT
		Hello Student Management Limited	Letting management company
		Grove St Studios Ltd (in members voluntary liquidation)	Property holding company
		Spring Roscoe Limited (in members voluntary liquidation)	Property holding company

		The Board intends that further companies and intermediate holding companies will be set up to hold any additional properties which may be acquired by the Group.																																																			
<b>B.6.</b>	<b>Major shareholders</b>	<p>Other than as set out in the table below, as at 3 July 2017 (being the latest practicable date prior to the publication of this Prospectus) the Company was not aware of any person who was directly or indirectly interested in 3 per cent. or more of the issued share capital of the Company:</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><i>Name</i></th> <th style="text-align: right;"><i>Number of Shares</i></th> <th style="text-align: right;"><i>Proportion of issued share capital (%)</i></th> </tr> </thead> <tbody> <tr> <td>Investec Wealth &amp; Investment Limited</td> <td style="text-align: right;">47,558,117</td> <td style="text-align: right;">9.49</td> </tr> <tr> <td>Schroders plc</td> <td style="text-align: right;">39,690,265</td> <td style="text-align: right;">7.92</td> </tr> <tr> <td>SG Hambros Bank Limited</td> <td style="text-align: right;">24,858,337</td> <td style="text-align: right;">4.96</td> </tr> <tr> <td>East Riding of Yorkshire Pension Fund</td> <td style="text-align: right;">24,756,828</td> <td style="text-align: right;">4.94</td> </tr> <tr> <td>CCLA Investment Management Limited</td> <td style="text-align: right;">24,545,187</td> <td style="text-align: right;">4.90</td> </tr> <tr> <td>BlackRock, Inc</td> <td style="text-align: right;">23,795,056</td> <td style="text-align: right;">4.75</td> </tr> <tr> <td>Avenue Europe Management Limited</td> <td style="text-align: right;">19,369,867</td> <td style="text-align: right;">3.86</td> </tr> <tr> <td>Smith &amp; Williamson Holdings Limited</td> <td style="text-align: right;">18,889,523</td> <td style="text-align: right;">3.77</td> </tr> <tr> <td>Premier Asset Management</td> <td style="text-align: right;">18,043,509</td> <td style="text-align: right;">3.60</td> </tr> </tbody> </table> <p>As at 3 July 2017 (being the latest practicable date prior to the publication of this Prospectus) the interests of the Directors and their connected persons in the issued share capital of the Company were as follows:</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><i>Director</i></th> <th style="text-align: right;"><i>Number of Shares</i></th> <th style="text-align: right;"><i>Percentage of issued share capital (%)</i></th> </tr> </thead> <tbody> <tr> <td>Baroness Dean</td> <td style="text-align: right;">48,285</td> <td style="text-align: right;">0.010</td> </tr> <tr> <td>Timothy Attlee</td> <td style="text-align: right;">688,700</td> <td style="text-align: right;">0.137</td> </tr> <tr> <td>Paul Hadaway</td> <td style="text-align: right;">1,340,801</td> <td style="text-align: right;">0.267</td> </tr> <tr> <td>Jim Prower</td> <td style="text-align: right;">37,935</td> <td style="text-align: right;">0.008</td> </tr> <tr> <td>Stephen Alston</td> <td style="text-align: right;">38,800</td> <td style="text-align: right;">0.008</td> </tr> <tr> <td>Stuart Beevor*</td> <td style="text-align: right;">20,000</td> <td style="text-align: right;">0.004</td> </tr> </tbody> </table> <p>* held jointly between Stuart Beevor and his wife Kim Beevor.</p>	<i>Name</i>	<i>Number of Shares</i>	<i>Proportion of issued share capital (%)</i>	Investec Wealth & Investment Limited	47,558,117	9.49	Schroders plc	39,690,265	7.92	SG Hambros Bank Limited	24,858,337	4.96	East Riding of Yorkshire Pension Fund	24,756,828	4.94	CCLA Investment Management Limited	24,545,187	4.90	BlackRock, Inc	23,795,056	4.75	Avenue Europe Management Limited	19,369,867	3.86	Smith & Williamson Holdings Limited	18,889,523	3.77	Premier Asset Management	18,043,509	3.60	<i>Director</i>	<i>Number of Shares</i>	<i>Percentage of issued share capital (%)</i>	Baroness Dean	48,285	0.010	Timothy Attlee	688,700	0.137	Paul Hadaway	1,340,801	0.267	Jim Prower	37,935	0.008	Stephen Alston	38,800	0.008	Stuart Beevor*	20,000	0.004
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<b>B.7.</b>	<b>Financial information</b>	The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the audited consolidated financial statements of the Group for the period from the Company's incorporation to 30 June 2015, for the 12 months ended 30 June 2016 and for the 6 months ended 31 December 2016 (following the change to the Company's financial year end to 31 December):																																																			

<b>Statement of Financial Position</b>			
	<i>As at 30 June 2015 (Audited) £'000</i>	<i>As at 30 June 2016 (Audited) £'000</i>	<i>As at 31 December 2016 (Audited) £'000</i>
<b>Assets and Liabilities</b>			
Investment property	239,775	514,194	711,890
Property, Plant and Equipment	79	297	509
Intangible assets	0	737	1,017
Derivative Financial Assets	229	18	19
Investment in joint ventures	8,378	4,197	4,923
Receivables	4,175	18,716	24,852
Cash and cash equivalents	78,788	163,923	59,399
<b>Total assets</b>	<b>331,424</b>	<b>702,082</b>	<b>802,609</b>
	<i>As at 30 June 2015 (Audited) £'000</i>	<i>As at 30 June 2016 (Audited) £'000</i>	<i>As at 31 December 2016 (Audited) £'000</i>
Payables	4,055	14,974	16,033
Deferred rental income	2,377	4,418	15,760
Derivative financial liability	449	1,685	1,233
Bank borrowings	84,148	152,896	238,718
<b>Total liabilities</b>	<b>91,029</b>	<b>173,973</b>	<b>271,744</b>
<b>Net assets</b>	<b>240,395</b>	<b>528,109</b>	<b>530,865</b>
Net Asset Value per Share (basic) (p)	103.21	105.35	105.90
<b>Income Statement</b>			
	<i>Financial period from the Company's period from incorporation to 30 June 2015 (Audited) £'000</i>	<i>Financial period from 1 July 2015 to 30 June 2016 (Audited) £'000</i>	<i>Financial period from 1 July 2016 to 31 December 2016 (Audited) £'000</i>
Rental income	8,303	21,600	19,210
Property expenses	(2,170)	(6,092)	(8,152)
Administration expenses	(4,794)	(7,262)	(5,323)
Gains on investment properties	11,284	21,724	14,474
<b>Operating profit</b>	<b>12,623</b>	<b>29,970</b>	<b>20,209</b>
Net finance costs	(1,163)	(3,642)	(3,976)
Share of results from joint ventures	2,760	1,793	713
Fair value movement on financial derivatives	(206)	(1,237)	453
<b>Total comprehensive income for the period</b>	<b>14,014</b>	<b>26,884</b>	<b>17,399</b>

		<p>Save to the extent disclosed below, there has been no significant change in the financial condition or operating results of the Group since 31 December 2016, being the end of the period covered by the historical financial information:</p> <p>(a) an interim dividend of 1.55 pence per Share was declared on 11 January 2017 in relation to the quarter ended 31 December 2016;</p> <p>(b) on 16 January 2017 Empiric (York Foss Studios 1) Limited acquired the freehold of Foss Studios for a purchase price of £23.3 million (excluding costs);</p> <p>(c) on 19 January 2017 the Group acquired the land and entered into a forward funded development agreement for Percy's Lane, York for a total funding commitment of £9.245 million;</p> <p>(d) on 2 March 2017 the Company agreed a new unsecured term loan facility of £10 million with First Commercial Bank Limited;</p> <p>(e) on 30 March 2017 the Group acquired the 50 per cent. share in Empiric (Glasgow) Limited previously owned by an investment fund affiliated with Revcap for c. £4.65 million. The Group now owns 100 per cent. of the interest in Willowbank in Glasgow;</p> <p>(f) on 10 May 2017 the Company declared a dividend of 1.525 pence per Share in respect of the quarter ended 31 March 2017; and</p> <p>(g) on 4 July 2017 the Company declared a dividend of 1.525 pence per Share in respect of the quarter ended 30 June 2017.</p>
<b>B.8.</b>	<b>Key <i>pro forma</i> financial information</b>	Not applicable. No <i>pro forma</i> financial information is contained in this Prospectus.
<b>B.9.</b>	<b>Profit forecast</b>	Not applicable. No profit forecast or estimate made.
<b>B.10.</b>	<b>Description of the nature of any qualifications in the audit report on the historical financial information</b>	Not applicable. The audit report on the historical financial information incorporated by reference in this Prospectus is not qualified.
<b>B.11.</b>	<b>Qualified working capital</b>	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.
<b>B.34.</b>	<b>Investment policy</b>	<p><b>Investment objective</b></p> <p>The investment objective of the Company is to provide Shareholders with regular, sustainable and growing long-term dividends (which it will seek to grow at least in line</p>

		<p>with the RPI inflation index) together with the potential for capital appreciation over the medium to long term.</p> <p><b>Investment policy</b></p> <p>The Company intends to meet its investment objective through acquiring, owning, leasing, developing and managing student residential accommodation in the UK across multiple formats, let on direct tenancy agreements to tenants enrolled with Higher Education Institutions (“HEIs”) and on other longer term lease arrangements directly with HEIs or other entities, as appropriate for the type of accommodation format and location. The Company will invest in modern, student accommodation assets with a focus on quality (as appropriate for the price point), and situated in prime locations, generally in or around the city centre and/or the local HEIs in top university cities and towns. The Company is focused on investing in, and developing, residential accommodation in locations where the Executive Directors believe attractive opportunities exist for the Company to exploit demand for student residential accommodation.</p> <p>The Company anticipates that rental income will be generated predominantly from direct leases and/or licences to students (with the rent being inclusive of wifi/internet, all utilities, and access to on-site amenities). The Company may also derive rental income from agreements with students that are guaranteed by HEIs or where the rental income is paid directly by HEIs (including via leases or “hard” nominations agreements). The Company may also enter into “soft” nominations agreements with HEIs (being marketing arrangements with HEIs to place their students in private accommodation). In addition, the Company anticipates benefiting in some cases from ancillary commercial lease opportunities within student accommodation properties, including (but not limited to) retail outlets and mobile telephone transmission apparatus.</p> <p>The Group may acquire assets through acquisitions of the freehold or leasehold title of underlying property or through the acquisition of the subsidiary companies or other investment vehicles through which such properties are owned. The Company may acquire operating leases which are generally anticipated not to be shorter than 35 years in duration. The Company may also opportunistically acquire portfolios of student accommodation properties. Following such a transaction, individual properties within such a portfolio, which do not meet the Group’s required standards or which cannot be cost effectively refurbished, may be sold.</p> <p>The Company also intends to undertake limited development of new buildings or conversion of existing properties for student accommodation and related services which may be undertaken by the Company on its own or in conjunction with a suitable development partner. Save for</p>
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		<p>any development assets that may be held by the Group in 50/50 joint venture companies during the development phase of such projects, the Group intends to have sole freehold or leasehold ownership of all investments, either directly or indirectly.</p> <p>The Board intends to hold the Group's investments on a long term basis. The Group, however, may dispose of investments outside of this time frame, should an appropriate opportunity arise where, in the Board's opinion, the value that could be realised from such a disposal would represent a satisfactory return on the initial investment and/or otherwise enhance the value of the Group, taken as a whole. There is no limit on the number of investments which the Group may dispose of from the portfolio (subject always to maintaining compliance with the investment restrictions that form part of the investment policy).</p> <p><b>Investment Restrictions</b></p> <p>The Company will invest and manage its assets with the objective of spreading risk through the following investment restrictions:</p> <ul style="list-style-type: none"> <li>• the Company will generate its rental income from a portfolio of not less than five separate buildings (such minimum to exclude development and forward funded projects, and to count two or more buildings in close proximity or on the same campus as a single building);</li> <li>• the value of no single asset at the time of investment will represent more than 20 per cent. of the Gross Asset Value;</li> <li>• at least 90 per cent. by value of the properties directly or indirectly owned by the Company shall be in the form of freehold or long leasehold properties (with over 100 years remaining at the time of acquisition) or the equivalent;</li> <li>• the Company may commit up to a maximum of 15 per cent. of its Net Asset Value (measured at the commencement of the project) to expenditure in relation to development projects (including conversion of buildings to student accommodation). All development projects will be conducted in special purpose vehicles with no recourse to the other assets of the Group. This restriction will be calculated by reference to the equity requirement of all such projects in progress (i.e. up to practical completion) at the time of commitment, to include expenditure already made in such projects and the remaining budgeted expenditure (the "Development Limit"). For the purposes of the Development Limit, "equity requirement" shall mean the amount of equity or shareholder loans contributed and/or committed by</li> </ul>
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		<p>the Company or any other Group entity to the relevant special purpose vehicle and shall exclude other sources of funds obtained by such special purpose vehicle;</p> <ul style="list-style-type: none"> <li>• the calculation of the Development Limit shall exclude from the numerator the acquisition cost of the relevant undeveloped land or property in use, or to be used, for development projects, which shall be subject to a separate limit of 10 per cent. of Net Asset Value (measured at the time of investment);</li> <li>• for the avoidance of doubt, the calculation of the Development Limit shall also exclude from the numerator all investment and expenditure on the renovation, restoration, fit-out, internal reconfiguration, maintenance and engineering works and general up-keep of any existing and new student accommodation investments by the Group;</li> <li>• with respect to forward funded projects, the maximum exposure to any single developer will be limited to 20 per cent. of the Gross Asset Value (measured at the time of investment);</li> <li>• rent from ancillary commercial leases will be limited to 25 per cent. of total rent receipts of any single building and to 15 per cent. of the Group's total rent receipts;</li> <li>• in each case where investment is via a joint venture arrangement, the relevant restriction will be calculated by reference to the Company's share of the relevant joint venture; and</li> <li>• the Company will not invest in other closed-ended investment companies.</li> </ul> <p>The Company will also seek to spread risk by seeking to achieve a diversified exposure to individual cities, towns and HEIs, though no quantitative limits are in place, due to the widely various demographics prevailing in different locations.</p> <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, at all times, to conduct the affairs of the Group 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>
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		<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 Regulatory Information Service.</p>
<b>B.35.</b>	<b>Borrowing limits</b>	<p>The Board expects to use Company level structural leverage for investment purposes to enhance equity returns.</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. If gearing is employed, the Company will maintain a conservative level of aggregate borrowings typically of 35 per cent., but no more than 40 per cent., of the Gross Asset Value (calculated at the time of draw down). 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. Development loans, however, will only be secured at the individual asset level, without recourse to the Group's other assets or revenues.</p> <p>As at 30 April 2017, the Group has approximately £289 million of drawn debt financing representing a loan to value ratio of approximately 34 per cent. Since 30 April 2017, the Group has drawn down further debt totalling £15 million.</p> <p>Where the Group takes on floating rate loan facilities, the Group may engage in interest rate hedging in respect of borrowings, or otherwise seek to mitigate the risk of interest rate increases, for efficient portfolio management purposes only.</p> <p>The borrowing limits set out above will be inclusive of the Group's pro-rata share of development loans incurred in relation to joint venture development projects. Intra-group debt between the Company and subsidiaries will not be included in the definition of borrowings for these purposes.</p>
<b>B.36.</b>	<b>Regulatory status</b>	<p>The Company, as its own AIFM, has a full-scope Part 4A permission under the AIFM Regulations and is authorised and regulated by the FCA (reference number 630634).</p> <p>As a REIT, the Shares are "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments.</p>
<b>B.37.</b>	<b>Typical investor</b>	<p>An investment in the Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.</p>

B.38.	<b>Investment of 20 per cent. or more in single underlying asset or investment company</b>	Not applicable. The Company will not invest 20 per cent. or more of gross assets in a single underlying issuer or investment company.
B.39.	<b>Investment of 40 per cent. or more in single underlying asset or investment company</b>	Not applicable. The Company will not invest 40 per cent. or more of gross assets in another collective investment undertaking.
B.40.	<b>Applicant's service providers</b>	<p><b>Facilities and lettings management arrangements</b></p> <p>In addition to its in-house operations platform Hello Student®, the Group also utilises the services of a number of external facilities and lettings managers. This includes larger national players, such as Collegiate Accommodation Consulting Limited, together with specialist local operators where appropriate. In addition, the Group has engaged Bilfinger GVA as managing agent in relation to the majority of the commercial units forming part of its properties. The Company anticipates that further external facilities and lettings managers may be engaged in relation to future properties acquired by the Group but the target is to have all of the properties currently owned or contracted by the Group managed by Hello Student® by September 2018.</p> <p>Under the external arrangements, the facilities and lettings managers engaged by the Group will generally undertake property and facilities management services in relation to the relevant student units including collaborating with the Company in relation to the marketing and letting of the units in each property, rent collection and credit control services, payment of agreed capital expenditure, preparation of operating budgets for approval, overseeing building maintenance, maintenance of tenancy records, acting as tenant liaison and production of agreed management reports and performance measures for the properties.</p> <p>External marketing and operations managers are paid a fee based on a proportion of rent collected. Depending on the manager and the building, this varies between 4-6 per cent. This fee along with other external costs such as utilities, health and safety, maintenance and repairs amounts to approximately 30 per cent. of the gross annual rental income.</p> <p><b>Administration and company secretarial arrangements</b></p> <p>FIM Capital Limited is appointed as administrator and company secretary to the Company and its subsidiaries. Under the terms of the Administration and Company Secretarial Agreement, the Administrator is currently paid an administration and company secretarial fee of £30,000 per annum (exclusive of VAT). This fee is subject to review annually.</p>

		<p>The Administration and Company Secretarial Agreement is terminable upon six months' written notice.</p> <p><b>Depository arrangements</b></p> <p>Kingfisher Property Partnerships Limited is appointed as depository to the Company. The Depository acts as the sole depository of the Company and is, amongst other things, responsible for 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 (as its own AIFM).</p> <p>Under the terms of the Depository Agreement, the Depository is entitled to a fee based on the value of the Company's assets under management subject to a minimum fee of £20,000 per annum and a maximum fee of £40,000 per annum (excluding VAT).</p> <p>The Depository Agreement may be terminated by the Depository on 3 months' prior written notice to the Company. The Company may terminate the agreement on 1 month's prior written notice to the Depository.</p> <p><b>Registrar arrangements</b></p> <p>Computershare Investor Services PLC has been appointed registrar of the Company. Under the terms of the Registrar Agreement, the Registrar is paid an annual maintenance fee of £1.20 per Shareholder account per annum, subject to a minimum fee of £3,000 per annum. The Registrar is also entitled to activity fees under the Registrar Agreement.</p> <p>The Registrar Agreement may be terminated on six months' notice.</p> <p><b>Audit services</b></p> <p>BDO LLP provides audit services to the Company.</p>
<b>B.41.</b>	<b>Regulatory status of investment manager and custodian</b>	<p>The Company is internally managed by the Board and has not appointed an external investment manager. The Company has not appointed a custodian.</p> <p>The Depository is authorised and regulated by the FCA.</p>
<b>B.42.</b>	<b>Calculation of Net Asset Value</b>	<p>The Net Asset Value (and Net Asset Value per Share) is calculated semi-annually by the Company (and reviewed by the Administrator). Calculations will be made in accordance with IFRS and EPRA's best practice recommendations. The Company intends to report its Net Asset Value according to EPRA guidelines. Details of each semi-annual valuation, and of any suspension in the making of such valuations, are announced by the Company through a Regulatory Information Service announcement, as part of its results announcement, as soon as practicable after the end of the relevant half year. The semi-annual valuations of the Net Asset Value (and Net Asset Value per Share) are calculated</p>

		<p>on the basis of the most recent valuation of the Property Portfolio.</p> <p>The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Company) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.</p>																																																																																
<b>B.43.</b>	<b>Cross liability</b>	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.																																																																																
<b>B.44.</b>	<b>No financial statements have been made up</b>	The Company has commenced operations and historical financial information is incorporated by reference in this Prospectus. Please see the key financial information at B.7.																																																																																
<b>B.45.</b>	<b>Portfolio</b>	<p>As at the date of this Prospectus, the Property Portfolio consists of the following investments comprising a mix of operating properties and development and forward funded projects.</p> <p><b>Table 1 – Operating assets (and those that had reached practical completion as at 3 July 2017) (75 in total)</b></p> <table border="1"> <thead> <tr> <th><i>Name</i></th> <th><i>Location</i></th> <th><i>Number of Beds</i></th> <th><i>Net yield on acquisition or cost %</i></th> </tr> </thead> <tbody> <tr> <td>Centro Court</td> <td>Aberdeen</td> <td>56</td> <td>6.8</td> </tr> <tr> <td>St Peter Studios</td> <td>Aberdeen</td> <td>123</td> <td>7.0</td> </tr> <tr> <td>Canal Bridge</td> <td>Bath</td> <td>20</td> <td>5.9</td> </tr> <tr> <td>James House</td> <td>Bath</td> <td>169</td> <td>5.7</td> </tr> <tr> <td>Piccadilly Place</td> <td>Bath</td> <td>47</td> <td>5.9</td> </tr> <tr> <td>Radway House (formerly Oolite Road)</td> <td>Bath</td> <td>31</td> <td>6.7</td> </tr> <tr> <td>The Exchange (formerly 1-3 James Street West)</td> <td>Bath</td> <td>78</td> <td>5.8</td> </tr> <tr> <td>Widcombe Wharf</td> <td>Bath</td> <td>40</td> <td>5.5</td> </tr> <tr> <td>Edge Apartments</td> <td>Birmingham</td> <td>77</td> <td>7.0</td> </tr> <tr> <td>The Brook</td> <td>Birmingham</td> <td>106</td> <td>6.5</td> </tr> <tr> <td>College Green<sup>(1)</sup></td> <td>Bristol</td> <td>84</td> <td>6.7</td> </tr> <tr> <td>William &amp; Matthew House</td> <td>Bristol</td> <td>75</td> <td>6.7</td> </tr> <tr> <td>Pavilion Court</td> <td>Canterbury</td> <td>79</td> <td>6.0</td> </tr> <tr> <td>Alwyn Court</td> <td>Cardiff</td> <td>51</td> <td>6.4</td> </tr> <tr> <td>Northgate House</td> <td>Cardiff</td> <td>67</td> <td>7.0</td> </tr> <tr> <td>Summit House</td> <td>Cardiff</td> <td>87</td> <td>7.0</td> </tr> <tr> <td>Windsor House</td> <td>Cardiff</td> <td>314</td> <td>5.6</td> </tr> <tr> <td>St Margaret's Flats</td> <td>Durham</td> <td>109</td> <td>7.5</td> </tr> <tr> <td>Buccleuch St</td> <td>Edinburgh</td> <td>88</td> <td>8.1</td> </tr> </tbody> </table>	<i>Name</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Net yield on acquisition or cost %</i>	Centro Court	Aberdeen	56	6.8	St Peter Studios	Aberdeen	123	7.0	Canal Bridge	Bath	20	5.9	James House	Bath	169	5.7	Piccadilly Place	Bath	47	5.9	Radway House (formerly Oolite Road)	Bath	31	6.7	The Exchange (formerly 1-3 James Street West)	Bath	78	5.8	Widcombe Wharf	Bath	40	5.5	Edge Apartments	Birmingham	77	7.0	The Brook	Birmingham	106	6.5	College Green <sup>(1)</sup>	Bristol	84	6.7	William & Matthew House	Bristol	75	6.7	Pavilion Court	Canterbury	79	6.0	Alwyn Court	Cardiff	51	6.4	Northgate House	Cardiff	67	7.0	Summit House	Cardiff	87	7.0	Windsor House	Cardiff	314	5.6	St Margaret's Flats	Durham	109	7.5	Buccleuch St	Edinburgh	88	8.1
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Bishop Blackall School	Exeter	113	6.0
Dean Clarke Lofts <sup>(2)</sup>	Exeter	30	6.6
Isca Lofts	Exeter	71	6.9
Library Lofts	Exeter	61	6.3
Picturehouse Apartments	Exeter	102	6.3
Maritime Studios	Falmouth	141	6.5
333 Bath Street	Glasgow	70	6.5
Ballet School	Glasgow	103	6.7
Willowbank	Glasgow	178	7.7
Curzon Point <sup>(3)</sup>	Hatfield	116	6.4
Kingsmill Studios	Huddersfield	98	7.5
Oldgate House	Huddersfield	179	8.3
CityBlock 1	Lancaster	30	6.1
CityBlock 2	Lancaster	77	6.1
CityBlock 3	Lancaster	100	6.1
Algernon Firth	Leeds	111	6.6
Pennine House	Leeds	127	6.6
St Mark's Court	Leeds	85	6.0
136-138 New Walk	Leicester	30	6.0
160 Upper New Walk	Leicester	17	6.1
Bede Park	Leicester	59	6.2
CityBlock 1	Leicester	98	6.3
CityBlock 2	Leicester	76	6.3
The Hosiery Factory	Leicester	107	6.3
The Shoe & Boot Factory	Leicester	173	6.3
Art School Lofts	Liverpool	64	6.3
Chatham Lodge	Liverpool	50	6.5
Grove Street Studios	Liverpool	28	6.5
Hayward House	Liverpool	74	6.3
Maple House	Liverpool	147	6.3
The Octagon	Liverpool	19	6.4
Francis Gardner Hall	London	70	5.5
Grosvenor Hall	London	72	6.3
Halsmere Studios	London	79	6.4
Ladybarn House	Manchester	117	6.3
Victoria Point 1, 2, 3, 4, 5 <sup>(4)</sup> and 6	Manchester	561	5.6
Claremont House	Newcastle	88	6.3
Metrovick House	Newcastle	63	6.5
Talbot Point	Nottingham	77	7.0
Talbot Studios	Nottingham	98	6.9
Stone Mason House	Oxford	44	5.1
Elm Grove Library	Portsmouth	19	6.5
Kingsway House	Portsmouth	52	6.4
The Registry	Portsmouth	41	6.5
Saxon Court	Reading	83	6.0
Portobello House	Sheffield	134	7.1
Brunswick Apartments	Southampton	173	7.2
London Road <sup>(5)</sup>	Southampton	46	7.0
Ayton House	St Andrews	241	5.5
Caledonia Mill	Stoke-on-Trent	120	6.5
Foss Studios	York	220	5.6
<b>Total/average yield</b>		<b>6,833</b>	<b>6.4</b>

		<p><b>Notes:</b></p> <p>(1) 150 year lease, started in August 2010.  (2) 999 year lease, started in March 2014.  (3) 199 year lease, started in December 2014.  (4) This building (132 beds) is to be significantly refurbished and, therefore, is not operational for the 2016/17 academic year.  (5) Freehold/leasehold.</p> <p><b>Table 2 – Forward funded and development assets as at 3 July 2017 and projects and sites acquired subject to planning (15 in total).</b></p> <table border="1"> <thead> <tr> <th><i>Name</i></th> <th><i>Location</i></th> <th><i>Proposed number of beds</i></th> <th><i>Estimated completion date</i></th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Forward funded projects</b></td> </tr> <tr> <td>The Emporium</td> <td>Birmingham</td> <td>185</td> <td>Sept 2018</td> </tr> <tr> <td>Bonhay Road</td> <td>Exeter</td> <td>150</td> <td>Aug 2017</td> </tr> <tr> <td>155 George Street</td> <td>Glasgow</td> <td>89</td> <td>June 2017</td> </tr> <tr> <td>134 New Walk</td> <td>Leicester</td> <td>16</td> <td>April 2017</td> </tr> <tr> <td>Welsh Baptist Chapel</td> <td>Manchester</td> <td>87</td> <td>July 2017</td> </tr> <tr> <td>The Frontage</td> <td>Nottingham</td> <td>162</td> <td>May 2017</td> </tr> <tr> <td>Europa House</td> <td>Portsmouth</td> <td>242</td> <td>Aug 2017</td> </tr> <tr> <td>Trippet Lane</td> <td>Sheffield</td> <td>63</td> <td>Sept 2017</td> </tr> <tr> <td>Lawrence Street</td> <td>York</td> <td>115</td> <td>June 2017</td> </tr> <tr> <td>Percy's Lane</td> <td>York</td> <td>106</td> <td>Sept 2018</td> </tr> <tr> <td colspan="4"><b>Development project</b></td> </tr> <tr> <td>Provincial House</td> <td>Sheffield</td> <td>107</td> <td>Jan 2018</td> </tr> <tr> <td>Forthside</td> <td>Stirling</td> <td>204</td> <td>Sept 2018</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>1,526</b></td> <td></td> </tr> <tr> <td colspan="4"><b>Projects and sites acquired subject to planning</b></td> </tr> <tr> <td>Ocean Bowl<sup>(1)</sup></td> <td>Falmouth</td> <td>249</td> <td>Sept 2018</td> </tr> <tr> <td>140-142 New Walk</td> <td>Leicester</td> <td>48</td> <td>Sept 2018</td> </tr> <tr> <td>Princess Road</td> <td>Leicester</td> <td>106</td> <td>Sept 2018</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) The Group has exchanged contracts on this site, subject to planning consent being obtained. Planning consent had not been obtained as at 3 July 2017.</p> <p>The Valuation Report values the Property Portfolio in aggregate at £786.7 million (including forward funded commitments) as at 30 April 2017. On a like-for-like basis, this represented an uplift of 1.23 per cent. over the operating asset portfolio value as at 31 December 2016 (excluding acquisitions over the period).</p>	<i>Name</i>	<i>Location</i>	<i>Proposed number of beds</i>	<i>Estimated completion date</i>	<b>Forward funded projects</b>				The Emporium	Birmingham	185	Sept 2018	Bonhay Road	Exeter	150	Aug 2017	155 George Street	Glasgow	89	June 2017	134 New Walk	Leicester	16	April 2017	Welsh Baptist Chapel	Manchester	87	July 2017	The Frontage	Nottingham	162	May 2017	Europa House	Portsmouth	242	Aug 2017	Trippet Lane	Sheffield	63	Sept 2017	Lawrence Street	York	115	June 2017	Percy's Lane	York	106	Sept 2018	<b>Development project</b>				Provincial House	Sheffield	107	Jan 2018	Forthside	Stirling	204	Sept 2018	<b>Total</b>		<b>1,526</b>		<b>Projects and sites acquired subject to planning</b>				Ocean Bowl <sup>(1)</sup>	Falmouth	249	Sept 2018	140-142 New Walk	Leicester	48	Sept 2018	Princess Road	Leicester	106	Sept 2018
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<b>B.46.</b>	<b>Net Asset Value</b>	The Company has published an unaudited estimated Net Asset Value per Share as at 30 April 2017 of 107.75 pence.																																																																																

<b>Section C – Securities</b>		
<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
<b>C.1.</b>	<b>Type and class of securities</b>	<p>The Company intends to raise up to £150 million through the Issue. The actual number of new Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds, are not known as at the date of this Prospectus but will be notified by the Company via a Regulatory Information Service announcement prior to Admission.</p> <p>The ISIN of the Shares is GB00BLWDV75 and the SEDOL is BLWDV7. The ISIN for the Basic Entitlement under the Open Offer is GB00BF0P2476 and the SEDOL is BF0P2476. The ISIN for the Excess Open Offer Entitlement under the Open Offer is GB00BF0P2583 and the SEDOL is BF0P2583. The ticker for the Company is ESP.</p>
<b>C.2</b>	<b>Currency</b>	Sterling.
<b>C.3.</b>	<b>Issued Shares</b>	As at 3 July 2017 (being the latest practicable date prior to the publication of this Prospectus), the issued share capital of the Company was £5,012,790.71 divided into 501,279,071 Shares of £0.01 each.
<b>C.4.</b>	<b>Description of the rights attaching to the securities</b>	<p>The Shares will rank in full for all dividends and distributions declared, made or paid after their issue and otherwise <i>pari passu</i> in all respects with each existing Share then in issue and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Share, as set out in the Articles.</p> <p>For the avoidance of doubt, Shares subscribed pursuant to the Issue will not rank for the interim dividend declared on the date of this Prospectus of 1.525 pence per Share for the quarter ended 30 June 2017.</p>
<b>C.5.</b>	<b>Restrictions on the free transferability of the securities</b>	There are no restrictions on the free transferability of the Shares.
<b>C.6.</b>	<b>Admission</b>	Application will be made to the UKLA and the London Stock Exchange respectively for the Shares to be issued pursuant to the Issue to be admitted to the premium listing segment of the Official List and to trading on the Main Market. It is expected that Admission will become effective and dealings in the Shares will commence on 24 July 2017.
<b>C.7.</b>	<b>Dividend policy</b>	The Company intends to pay dividends on a quarterly basis with dividends ordinarily declared in February, May, August and November in each year and paid within one month of being declared.

		<p>The Company is targeting a dividend of 6.1 pence per Share for the year to 31 December 2017. It is anticipated the dividend will be substantially covered by Adjusted EPRA Earnings per Share for 2017 and going forward.</p> <p>In order to comply with and maintain REIT status, the Group will be required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits of the Property Rental Business for each accounting period, as adjusted for tax purposes.</p> <p>The Company will target a total Shareholder return (Net Asset Value growth plus dividends) of 10 per cent. per annum.</p> <p><b><i>Investors should note that the figures in relation to dividends, total shareholder return and targeted annual growth in Net Asset Value set out above are for illustrative purposes only and are not intended to be, and should not be taken as, a profit forecast or estimate or a dividend declaration.</i></b></p>
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Section D – Risks		
Element	Disclosure Requirement	Disclosure
D.1.	Key information on the key risks that are specific to the Company or its industry	<p><b><i>The Company has a limited operating history</i></b> The Company was incorporated on 11 February 2014 and was listed on 30 June 2014. As the Company has a limited operating history, investors have a limited basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.</p> <p><b><i>The Company may not meet its investment objective</i></b> Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.</p> <p><b><i>Investor returns will be dependent upon the performance of the Property Portfolio and the Company may experience fluctuations in its operating results</i></b> Returns achieved are reliant primarily upon the performance of the Property Portfolio. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in the Shares.</p> <p><b><i>The Group's rental income and property values may be adversely affected by increased supply of student accommodation, the failure to collect rents, increasing operating costs or any deterioration in the quality of the properties in the Property Portfolio</i></b> Rental income and property values may be adversely affected by increased supply of student accommodation, the</p>

		<p>failure to collect rents because of tenants' inability to pay or otherwise, the periodic need to renovate and the costs thereof and increased operating costs and/or operating costs efficiencies not being achieved, in both cases reducing net income. A decrease in rental income and/or on property values may have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.</p> <p><b><i>The Group may not be able to maintain or increase the rental rates for its rooms, which may, in the longer term, have a material adverse impact on the value of the Group's properties, as well as the Group's turnover</i></b></p> <p>The value of the Group's properties and the Group's turnover will be dependent on the rental rates that can be achieved from the properties in the Property Portfolio. The ability of the Group to maintain or increase the rental rates for its rooms and properties generally may be adversely affected by general UK economic conditions and/or the disposable income of students. Any failure to maintain or increase the rental rates for the Group's rooms and properties generally may have a material adverse effect on the value of the Group's properties as well as the Group's turnover and the Group's ability to meet interest and capital repayments on any debt facilities.</p> <p><b><i>The Group may not be able to maintain the occupancy rates of the Group's properties or any other student accommodation properties it acquires, which may have a material adverse effect on the Group's revenue performance, margins and asset values</i></b></p> <p>The ability of the Group to maintain attractive occupancy levels (or to maintain such levels on economically favourable terms) in relation to its properties may be adversely affected by a number of factors, including a fall in the number of students, competing sites, any harm to the reputation of the Group amongst universities, students or other potential customers, or as a result of other local or national factors. A fall in occupancy levels may have a material adverse effect on the Group's revenue performance, margins and asset values.</p> <p><b><i>Property valuation is inherently subjective and uncertain</i></b></p> <p>The valuation of the Group's properties is inherently subjective, in part because all property valuations are made on the basis of assumptions that may not prove to be accurate, and, in part, because of the individual nature of each property. This is particularly so where there has been more limited transactional activity in the market against which the Group's property valuations can be benchmarked by the Group's external valuer. Valuations of the Group's investments may not reflect actual sale prices or optimal purchase prices even where any such transactions occur shortly after the relevant valuation date.</p>
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		<p><b><i>Competition with other participants in the student accommodation sector</i></b></p> <p>In recent years a number of UK and international property investors have become active in the UK student accommodation sector. The Group also faces the threat of new competitors emerging. Such competitors may have access to larger financial resources than the Group and/or be targeting lower investment returns. Competition in the student accommodation sector may lead to an oversupply of rooms through overdevelopment, to prices for existing properties or land for development being inflated through competing bids by potential purchasers or to the rents to be achieved from existing properties being adversely impacted by an oversupply of rooms. This could have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.</p> <p><b><i>Availability of investment opportunities</i></b></p> <p>The availability of potential investments which meet the Company's investment strategy will depend on the state of the economy and financial markets in the UK. The Company can offer no assurance that it will be able to identify and make investments that are consistent with its investment objective and investment policy or that it will be able to fully invest its available capital. The inability to find, or agree terms for, such investment opportunities could have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.</p> <p><b><i>Construction of the Group's development projects may be subject to delays or disruptions that are outside of the Group's control</i></b></p> <p>The Group will depend on skilled third party contractors for the timely construction of its developments in accordance with UK standards of quality and safety. The process of construction may be delayed or disrupted by a number of factors, such as inclement weather or acts of nature, industrial accidents, defective building methods or materials and the insolvency of the contractor. Any of these factors, alone or in combination, could delay or disrupt the construction process by halting the construction process or damaging materials or the development itself. In addition, the costs of construction depends primarily on the costs of materials and labour, which may be subject to significant unforeseen increases. The Group may not be able to recover cost overruns under its insurance policies or from the responsible contractor or sub-contractor or may incur holding costs and the development may decrease in value and the Group may sustain reputational damage, any of which could have a material adverse effect on the Group's profitability, Net Asset Value and the price of the Shares.</p>
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		<p><b><i>If the Group fails to remain a REIT for UK tax purposes, its profits and gains will be subject to UK corporation tax</i></b></p> <p>Minor breaches of certain conditions within the REIT regime may only result in additional tax being payable or may not be penalised if remedied within a given period of time, provided that the regime is not breached more than a certain number of times. A serious breach of these regulations may lead to the Group ceasing to be a REIT. If the Company or the Group fails to meet certain of the statutory requirements to maintain its status as a REIT, it may be subject to UK corporation tax on its property rental income profits and any chargeable gains on the sale of some or all properties. This could reduce the reserves available to make distributions to Shareholders and the yield on the Shares. In addition, incurring a UK corporation tax liability might require the Company and the Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Group's REIT status is withdrawn altogether because of its failure to meet one or more REIT qualification requirements, it may be disqualified from being a REIT from the end of the accounting period preceding that in which the failure occurred.</p> <p><b><i>UK exit from the European Union</i></b></p> <p>A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("Brexit") and on 29 March 2017 the UK Government triggered Article 50 to commence Brexit negotiations with the EU. The extent of the impact on the Group will depend in part on the nature of the arrangements that are put in place between the UK and the EU, including in relation to students coming from the EU to the UK to study, following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. The Group may also be subject to a significant period of uncertainty in the period leading to eventual Brexit, including, inter alia, uncertainty in relation to any potential regulatory or tax change. In addition, the macroeconomic effect of Brexit on the value of investments in the student accommodation market, and, by extension, the value of the investments in the Group's investment portfolio is unknown. The UK's exit from the EU could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on total Shareholder returns, the Net Asset Value and price of the Shares. As such, it is not possible to state the impact that Brexit will have on the Group and its investments. It could also potentially make it more difficult for the Group to raise capital in the EU and/or increase the regulatory compliance burden on the Group. This could restrict the Group's future activities and thereby negatively affect returns.</p>
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D.3.	Key information on the key risks that are specific to the Shares	<p><b><i>The Shares may trade at a discount to Net Asset Value per Share and Shareholders may be unable to realise their investments through the secondary market at Net Asset Value per Share</i></b></p> <p>The Shares may trade at a discount to Net Asset Value per Share for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Company's investment objective and investment policy, an excess of supply over demand in the Shares, and to the extent investors undervalue the management activities of the Executive Directors or discount the valuation methodology and judgments made by the Company. While the Directors may seek to mitigate any discount to Net Asset Value per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.</p> <p><b><i>The value and/or market price of the Shares may go down as well as up</i></b></p> <p>Prospective investors should be aware that the value and/or market price of the Shares may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.</p> <p><b><i>The Company may in the future issue new equity, which may dilute Shareholders' equity</i></b></p> <p>The Company may seek to issue new equity in the future. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.</p> <p><b><i>Future sales of Shares could cause the market price of the Shares to fall</i></b></p> <p>Sales of Shares or interests in Shares by significant investors could depress the market price of the Shares. A substantial amount of Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Shares at a time and price that they deem appropriate.</p>
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<b>Section E – Offer</b>		
<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
<b>E.1.</b>	<b>Proceeds and Expenses</b>	<p>On the assumption that Gross Proceeds of £150 million are raised pursuant to the Issue, the expenses payable by the Company will not exceed £3.1 million (being approximately 2.1 per cent. of the Gross Proceeds), resulting in Net Proceeds of approximately £146.9 million.</p> <p>No expenses and/or taxes will be specifically charged to the subscribers or purchasers of the Shares.</p>
<b>E.2.a.</b>	<b>Reason for offer and use of proceeds</b>	<p>The Issue is being undertaken in order to raise further equity funds which, when combined with available and proposed future debt, will allow the Group to acquire further assets and in order to achieve its stated investment objective.</p> <p>The proceeds from the Issue will be utilised by the Group to fund future investments in accordance with the Group's investment policy, for specified capital investments in its existing assets and for general corporate purposes.</p>
<b>E.3.</b>	<b>Terms and conditions of the offer</b>	<p><b>The Issue</b></p> <p>The Issue comprises the Placing, the Open Offer to Qualifying Shareholders on a pre-emptive basis and the Offer for Subscription, of, in aggregate, up to 137,614,678 new Shares (based on the maximum issue size of £150 million) at an Issue Price of 109 pence per Share.</p> <p>The Placing and Offer for Subscription are subject to scaling back at the discretion of the Directors. The Open Offer is not subject to scaling back in favour of either the Placing or the Offer for Subscription.</p> <p><b>The Placing</b></p> <p>The Company, the Executive Directors, Jefferies and Akur have entered into the Placing Agreement, pursuant to which Jefferies has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Shares to be made available in the Placing. Jefferies has also agreed that if and to the extent that the Gross Proceeds would otherwise be less than £35 million, it will, as principal, subscribe for such number of Shares at the Issue Price as would result in the Gross Proceeds equalling £35 million, on and subject to the terms and conditions set out in the Placing Agreement. Save for this commitment by Jefferies, the Issue is not being underwritten.</p> <p><b>The Offer for Subscription</b></p> <p>The Offer for Subscription is only being made in the UK. The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such</p>

		<p>right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.</p> <p>Applications under the Offer for Subscription must be for a minimum of 1,000 Shares and thereafter in multiples of 100 Shares.</p> <p><b>The Open Offer</b></p> <p>Under the Open Offer, up to 71,611,295 new Shares will be made available to Qualifying Shareholders at the Issue Price pro rata to their holdings of Existing Shares, on the terms and subject to the conditions of the Open Offer, on the basis of:</p> <p><b>1 New Share for every 7 Existing Shares on the Record Date</b></p> <p>To the extent that Qualifying Shareholders choose not to take up their entitlements under the Open Offer or that applications from Qualifying Shareholders are invalid, unallocated Shares may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility. Thereafter, to the extent that there remain any unallocated Shares, they will be made available under the Offer for Subscription and/or the Placing as the Directors, in consultation with Jefferies and Akur, shall determine.</p> <p>Applications under the Excess Application Facility will be allocated, in the event of over-subscription, pro rata to Qualifying Shareholders' applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.</p> <p>The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 19 July 2017.</p> <p><b>Conditions of the Placing, the Open Offer and the Offer for Subscription</b></p> <p>The Placing, the Open Offer and the Offer for Subscription are conditional upon, (i) the passing of the Resolutions at the General Meeting, (ii) Admission of the Shares to be issued pursuant to the Placing, the Open Offer and the Offer for Subscription occurring no later than 8.00 a.m. on 24 July 2017 (or such later time and/or date as the Company and Jefferies may agree) and (iii) the Placing Agreement not being terminated and becoming unconditional in accordance with its terms. If these conditions are not met, the Placing, the Open Offer and the Offer for Subscription will not proceed and an announcement to that effect will be made via a Regulatory Information Service.</p>
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<b>E.4.</b>	<b>Material interests</b>	Not applicable. No interest is material to the Issue.
<b>E.5.</b>	<b>Name of person selling securities</b>	Not applicable. No person or entity is offering to sell Shares as part of the Issue.
<b>E.6.</b>	<b>Dilution</b>	<p>The Existing Shares shall be diluted by the issue of the new Shares pursuant to the Issue.</p> <p>Qualifying Shareholders will have their proportionate shareholdings in the Company diluted by approximately 10.3 per cent. as a consequence of the Issue (assuming Gross Proceeds of £150 million are raised) if they do take up their entitlements under the Open Offer.</p>
<b>E.7.</b>	<b>Estimated Expenses</b>	<p>On the assumption that the Gross Proceeds of £150 million are raised pursuant to the Issue, the expenses payable by the Company will not exceed £3.1 million (equivalent to approximately 2.1 per cent. of the Gross Proceeds), resulting in Net Proceeds of approximately £146.9 million.</p> <p>The Company shall, in the event Admission does not happen for whatever reason, settle all costs incurred by the Group in connection with the Issue and Admission as soon as possible.</p> <p>No expenses and/or taxes will be specifically charged to the subscribers or purchasers of the new Shares.</p>

## RISK FACTORS

Prospective investors should note that the risks relating to the Group and its industry and the Shares summarised in the “Summary” are the risks that the Board believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the “Summary” but also, among other things, the risks and uncertainties described below.

The Directors believe the risks described below are the material risks relating to an investment in the Shares and the Company at the date of this Prospectus. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Prospectus, may also have an adverse effect on the performance of the Company and the value of the Shares.

### RISKS RELATING TO THE GROUP

#### *The Company has a limited operating history*

The Company was incorporated on 11 February 2014 and was listed on 30 June 2014. As the Company has a limited operating history, investors have a limited basis on which to evaluate the Company’s ability to achieve its investment objective and provide a satisfactory investment return.

The Company’s returns and operating cash flows will depend on many factors, including the performance of its investments, the availability and liquidity of investment opportunities falling within the Company’s investment objective and investment policy, conditions in the financial markets, real estate market and economy and the Company’s ability to successfully operate its business and execute its investment objective and investment policy. There can be no assurance that the Company’s investment objective and investment policy will be successful.

#### *The Company may not meet its investment objective*

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company’s investment objective includes the aim of providing Shareholders with regular, sustainable and growing long-term dividends. The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing its investment policy and the Company’s earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well the provisions of relevant laws or generally accepted accounting principles from time to time. There can be no assurance as to the level and/or payment of future dividends by the Company.

The Company’s investment objective includes the aim of providing Shareholders with capital appreciation over the medium to long term. The amount of any capital appreciation will depend upon, amongst other things, the Company successfully pursuing its investment policy and the performance of the Company’s investments. There can be no assurance as to the level of any capital appreciation over the long term.

***The Company's targeted returns are based on estimates and assumptions that are inherently subject to significant uncertainties and contingencies, and the actual rate of return may be materially lower than the targeted returns***

The Company's targeted returns set out in this Prospectus are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, asset mix, value, holding periods, performance of the Company's investments, investment liquidity and interest rates, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve its targeted returns. The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with the targets. Furthermore, the targeted returns are based on the market conditions and the economic environment at the time of assessing the targeted returns, and are therefore subject to change. In particular, the targeted returns assume no material changes occur in government regulations or other policies, or in law and taxation, and that the Company is not affected by natural disasters, terrorism, social unrest or civil disturbances or the occurrence of risks described elsewhere in this Prospectus. There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this Prospectus. Accordingly, the actual rate of return achieved may be materially lower than the targeted returns, or may result in a partial or total loss, which could have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

#### ***Dependence on the Executive Directors***

The Group's ability to achieve its investment objective is partially dependent on the performance of the Executive Directors in terms of the acquisition of investments for the Group, the carrying out of the Group's development projects, the management of the Group's properties and the determination of any financing arrangements. The performance of the Executive Directors cannot be guaranteed. Failure by the Executive Directors to acquire and manage assets effectively could materially adversely affect the Group's profitability, the Net Asset Value and the price of the Shares.

Consequently, the future ability of the Group to successfully pursue its investment strategy may, among other things, depend on the ability of the Company to retain its existing Executive Directors and other staff and/or to recruit individuals of similar experience and calibre. Whilst the Company has and will endeavour to ensure that the Executive Directors are suitably incentivised, the retention of Executive Directors cannot be guaranteed. Furthermore, in the event of a departure of an Executive Director, there is no guarantee that the Company would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Group. Events impacting but not entirely within the Company's control, such as its financial performance, it being acquired or making acquisitions or changes to its internal policies and structures could in turn affect its ability to retain any or all of the Executive Directors.

#### ***An appreciation in the value of Sterling may decrease demand for accommodation by international students***

It is expected that a significant majority of the tenants in the Group's properties will continue to be international students. As such, any appreciation in the value of Sterling may decrease demand for accommodation by international students which may materially and adversely impact the Group's profitability, the Net Asset Value and price of the Shares.

#### ***The Group's performance will depend on general property and investment market conditions***

The Group's performance will depend to a significant extent on property values in the United Kingdom. An overall downturn in the UK property market and/or the availability of credit to the UK property sector may have a material adverse effect on the value of the Property Portfolio and ultimately upon the Net Asset Value and the ability of the Group to generate revenues.

***Investor returns will be dependent upon the performance of the Property Portfolio and the Company may experience fluctuations in its operating results***

Returns achieved are reliant primarily upon the performance of the Property Portfolio. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in the Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of properties in the Property Portfolio from time to time, changes in the Group's rental income, operating expenses, occupancy rates, the degree to which the Group encounters competition and general economic and market conditions. Such variability may be reflected in dividends, may lead to volatility in the trading price of the Shares and may cause the Company's results for a particular period not to be indicative of its performance in a future period.

***The Group's rental income and property values may be adversely affected by increased supply of student accommodation, the failure to collect rents, increasing operating costs or any deterioration in the quality of the properties in the Property Portfolio***

Rental income and property values may be adversely affected by an increase in the supply of student accommodation, the failure to collect rents because of tenants' inability to pay or otherwise, the periodic need to renovate and the costs thereof and increased operating costs and/or operating cost efficiencies not being achieved, in both cases reducing net income. A decrease in rental income and/or on property values may have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

***The Group may not be able to maintain or increase the rental rates for its rooms, which may, in the longer term, have a material adverse impact on the value of the Group's properties, as well as the Group's turnover***

The value of the Group's properties, and the Group's turnover will be dependent on the rental rates that can be achieved from the properties in the Property Portfolio. The ability of the Group to maintain or increase the rental rates for its rooms and properties generally may be adversely affected by general UK economic conditions and/or the disposable income of students. In addition, there may be other factors that depress rents or restrict the Group's ability to increase rental rates, including local factors relating to particular properties/locations (such as increased competition) and any harm to the reputation of the Group amongst universities, students or other potential customers. Any failure to maintain or increase the rental rates for the Group's rooms and properties generally may have a material adverse effect on the value of the Group's properties as well as the Group's turnover and the Group's ability to meet interest and capital repayments on any debt facilities.

***Changes in laws, regulations and/or government policy may adversely affect the Group's business***

The Group and its operations are subject to laws and regulations enacted in the UK by central and local government and central government policy. Any change in the laws, regulations and/or central government policy affecting the Group may have a material adverse effect on the ability of the Group to successfully pursue its investment policy and meet its investment objective and on the value of the Company and the Shares. In such event, the investment returns of the Company may be materially adversely affected. Such potential changes in law, regulation and/or government policy include:

- increased tuition fees, decreased student loans and/or grants and reducing the number of international students granted student visas which may reduce student numbers (both from the United Kingdom and overseas) and reduce students' disposable income which may in turn reduce demand for student accommodation and rents;

- more onerous health and safety and environmental legislation and regulation which may increase the costs of compliance and reduce the Group's earnings; and
- less onerous planning legislation and regulation which may result in increased supply of student accommodation, adversely impact occupancy rates and reduce rents. Conversely more onerous planning regulation could adversely effect the Group's development activities.

***The Group may not be able to maintain the occupancy rates of the Group's properties or any other student accommodation properties it acquires, which may have a material adverse effect on the Group's revenue performance, margins and asset values***

The ability of the Group to maintain attractive occupancy levels (or to maintain such levels on economically favourable terms) in relation to its properties may be adversely affected by a number of factors, including a fall in the number of students, competing sites, any harm to the reputation of the Group amongst universities, students or other potential customers, or as a result of other local or national factors. A fall in occupancy levels may have a material adverse effect on the Group's revenue performance, margins and asset values.

***Reliance on service providers and other third parties***

The Group will rely on the services of certain third party service providers for the provision of a number of functions which are important to the operation of the Group's business. In particular, the Administrator, the Depositary and the facilities and lettings managers engaged by the Group in relation to its properties, and their respective delegates, if any, perform services that are important to the Group's operations. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Group at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Group's performance and returns to Shareholders. To the extent that these third parties are unable or unwilling to perform their contractual commitments, there is a risk of reputational damage to the Group, or that the Group will have to seek alternative contractors (or to perform such services itself) which could be difficult or more costly. The termination of the Group's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could disrupt the business of the Group materially and could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares. Further, misconduct or misrepresentations by employees of the third party service providers could cause significant losses to the Company.

***Past performance cannot be relied upon as an indicator of future performance***

The past performance of the Group's properties, and of the Executive Directors, cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent on the Company successfully pursuing its investment objective and investment policy. The success of the Company will depend, amongst other things, on the Executive Directors' ability to identify and acquire investments in accordance with the Company's investment policy. There can be no assurance that they will be able to do so. An investor may not get back the amount originally invested. The Company can offer no assurance that investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

***The Group's investments will be illiquid and may be difficult or impossible to realise at any particular time***

The Group will invest in student residential accommodation. Such investments are illiquid and may be difficult for the Group to sell and the price achieved on any such realisation may be at a discount to the prevailing valuation of the relevant investment which may have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

### ***Property valuation is inherently subjective and uncertain***

The valuation of the Group's properties is inherently subjective, in part because all property valuations are made on the basis of assumptions that may not prove to be accurate, and, in part, because of the individual nature of each property. This is particularly so where there has been more limited transactional activity in the market against which the Group's property valuations can be benchmarked by the Group's external valuer. Valuations of the Group's investments may not reflect actual sale prices or optimal purchase prices even where any such transactions occur shortly after the relevant valuation date.

The Group may invest in properties through investments in various property-owning vehicles, and may in the future utilise a variety of investment structures for the purpose of investing in property. Where a property or an interest in a property is acquired through a company or investment structure, the value of the company or investment structure may not be the same as the value of the underlying property due, for example, to tax, environmental, contingent, and contractual or other liabilities, or structural considerations. As a result, there can be no assurance that the value of investments made through those structures will fully reflect the value of the underlying property.

### ***Competition with other participants in the student accommodation sector***

In recent years a number of UK and international property investors have become active in the UK student accommodation sector. The Group also faces the threat of new competitors emerging. Such competitors may have access to larger financial resources than the Group and/or be targeting lower investment returns. Competition in the student accommodation sector may lead to an oversupply of rooms through overdevelopment, to prices for existing properties or land for development being inflated through competing bids by potential purchasers or to the rents to be achieved from existing properties being adversely impacted by an oversupply of rooms. Accordingly, the existence of such competition may have a material adverse effect on the Group's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis and to acquire properties or develop land at satisfactory cost. This could have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

### ***Availability of investment opportunities***

The availability of potential investments which meet the Company's investment strategy will depend on the state of the economy and financial markets in the UK. The Company can offer no assurance that it will be able to identify and make further investments that are consistent with its investment objective and investment policy or that it will be able to fully invest its available capital.

Investment opportunities that may be identified by the Company as being potential investments for the Group may be in the process of due diligence and/or negotiation or discussion. There is no guarantee that these investment opportunities will continue to be available in the future at a time or in a form which is convenient for the Group or that the Group will or will be able to invest in these opportunities. The inability to find, or agree terms for, such investment opportunities could have a material adverse effect on the Group's profitability, the Net Asset Value and the value of the Shares.

### ***The Group's due diligence may not identify all risks and liabilities in respect of an acquisition or lease agreement***

Prior to entering into an agreement to acquire any property, the Group will perform due diligence on the proposed investment. In doing so, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (including legal reports on title and property valuations). To the extent that such third parties underestimate or fail to identify risks and liabilities (including any environmental liabilities) associated with the investment in question, the Group may be subject to defects in title, to environmental, structural or operational defects requiring remediation, or the

Group may be unable to obtain necessary permits which may have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

A due diligence failure may also result in properties that are acquired failing to perform in accordance with projections, particularly as to rent and occupancy, which may have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

***Any costs associated with potential pipeline investments that do not proceed to completion will affect the Group's performance***

The Group may be required to put down a deposit and expects to incur certain third-party costs in respect of potential pipeline investments, including in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable assets. There can be no assurance that the Group will not forfeit any deposit or as to the level of such costs. The forfeiture of a deposit may have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares and there can be no guarantee that the Group will be successful in its negotiations to acquire any given potential pipeline investment.

***The Group may suffer losses in excess of insurance proceeds, if any, or from uninsurable events***

Although the Group expects to have the benefit of insurance coverage for reinstatement costs and loss of rental income for all of its properties, and the benefit of certain insurance policies covering such matters as restrictive covenants and rights of light, the Group's properties may suffer physical damage resulting in losses (including loss of rent) and/or face other claims which may not be fully compensated for by insurance, or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Group may lose capital invested in the affected property as well as anticipated future revenue from that property and the Group might also remain liable for any debt or other financial obligations related to that property. Any material uninsured losses may have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

***There is a risk of accidents causing personal injury at premises owned by the Group, which could result in litigation against the Group and/or harm the Group's reputation***

There is a risk of accidents at premises owned by the Group, which could result in personal injury to tenants, people visiting the premises, employees, contractors or members of the public. The Group has public liability insurance in place which the Directors consider will provide an adequate level of protection against third party claims. However, should an accident attract publicity or be of a size and/or nature that is not adequately covered by insurance, the resulting publicity and costs could have an adverse impact on the Group's reputation, profitability, the Net Asset Value and the price of the Shares.

***UK exit from the European Union***

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("Brexit") and on 29 March 2017 the UK Government triggered Article 50 to commence Brexit negotiations with the EU. The extent of the impact on the Group will depend in part on the nature of the arrangements that are put in place between the UK and the EU, including in relation to students coming from the EU to the UK to study, following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. The Group may also be subject to a significant period of uncertainty in the period leading to eventual Brexit, including, inter alia, uncertainty in relation to any potential regulatory or tax change. In addition, the macroeconomic effect of Brexit on the value of investments in the student accommodation market, and, by extension, the value of the investments in the Group's investment portfolio is unknown. The UK's exit from the EU could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on total Shareholder

returns, the Net Asset Value and price of the Shares. As such, it is not possible to state the impact that Brexit will have on the Group and its investments. It could also potentially make it more difficult for the Group to raise capital in the EU and/or increase the regulatory compliance burden on the Group. This could restrict the Group's future activities and thereby negatively affect returns.

### ***Risks relating to the use of leverage***

Certain Group companies have, and the Group expects in the future, to take on 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 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 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.

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 use (and which the Group will in the future 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.

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.

Group companies may incur debt with interest payable based on LIBOR. Depending upon market conditions, the relevant borrowing Group companies may hedge or partially hedge interest rate exposure on borrowings, however such measures may not be sufficient to protect the Group from adverse movements in prevailing interest rates to the extent exposures are unhedged or hedges are inadequate to offer full protection. If exposures are hedged, interest rate movements may lead to mark-to-market movements in the value of the hedging instrument, which may be positive or negative and upon breaking of such hedges may cause crystallisation of gains or losses for the Group. In addition, hedging arrangements expose the Group to credit risk in respect of the hedging counterparty. Increased exposure to interest rate movements may have a material adverse effect on the Group's profitability, dividend payments, the Net Asset Value and the price of the Shares.

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.

### **RISKS ASSOCIATED WITH REAL ESTATE DEVELOPMENT ACTIVITIES**

Pursuant to the Company's investment policy, the Company may commit up to a maximum of 15 per cent. of its Net Asset Value (measured at the commencement of the project) to expenditure in relation to development (including conversion of buildings to student accommodation). In addition, the Company has no restriction on its ability to forward fund properties being developed by third party developers. The following risk factors are those considered to be material in respect of the Group's real estate development activities (either directly or indirectly via forward funding arrangements) and may singly or in combination reduce the value of the Group's assets.

### ***Commercial risks associated with real estate development***

The Group's development activities are likely to involve a higher degree of risk than is associated with its operating properties and will require the Group to assess each development opportunity, including the return on investment, transport and other infrastructure attributes of the location, the quality of the specification, the configuration and the flexibility of accommodation and the timing and delivery of the completed property. Inaccurate assessment of a development opportunity or a decrease in tenant demand due to competition from other student accommodation properties or adverse market conditions, could result in a substantial proportion of the development remaining vacant after completion. Such vacancies would affect the level of rental income obtained, the amount of realised sales proceeds and the value of the development property, all of which could have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

### ***Risks associated with the planning application and approval process***

In the event that planning applications for the Group's development projects are unsuccessful or are granted subject to constraints or conditions which the Group regards as unacceptable or onerous (and which the Group is unsuccessful, or concludes is unlikely to be successful, in removing), then the Group may conclude that it is not likely to realise anticipated value from such development opportunities and, accordingly, may decide not to proceed with, or to defer, construction. In any event, the decision to proceed with construction of any development will depend upon the Group's assessment that such development project is likely to provide a satisfactory return on investment having regard to such factors as the cost of construction, timing and delivery of completed property, planning and development constraints and conditions, and local and general market conditions. The Group may defer or decide not to proceed with construction of any development that does not satisfactorily meet its assessment criteria. The failure to obtain satisfactory planning permission or any decision to defer or not proceed with construction could have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

### ***Construction of the Group's development projects may be subject to delays or disruptions that are outside of the Group's control***

The Group will depend on skilled third party contractors for the timely construction of its developments in accordance with UK standards of quality and safety. The process of construction may be delayed or disrupted by a number of factors, such as inclement weather or acts of nature, industrial accidents, defective building methods or materials and the insolvency of the contractor. Any of these factors, alone or in combination, could delay or disrupt the construction process by halting the construction process or damaging materials or the development itself. In addition, the costs of construction depends primarily on the costs of materials and labour, which may be subject to significant unforeseen increases. The Group may not be able to recover cost overruns under its insurance policies or from the responsible contractor or sub-contractor or may incur holding costs, the development may decrease in value and the Group may sustain reputational damage, any of which could have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Shares.

### ***Any forward funded projects will be subject to the hazards and risks normally associated with the construction and development of commercial real estate, any of which could result in increased costs and/or damage to persons or property***

The Company's investment policy provides that the Company may purchase forward funded property assets that are due to start or are in construction. Forward funded projects are subject to the hazards and risks normally associated with the construction and development of commercial real estate, including personal injury and property damage (as noted above). To the extent that such risks are not assumed by the developer, the occurrence of any of these events could result

in increased operating costs, fines and legal fees and potentially in reputational damage or criminal prosecution of the Company, and its Directors, all of which could have an adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Shares. However, for all of the Company's investments in forward funded assets to date, such risks have been assumed by the developer.

## **RISKS RELATING TO THE SHARES**

### ***The Shares may trade at a discount to Net Asset Value per Share and Shareholders may be unable to realise their investments through the secondary market at Net Asset Value per Share***

The Shares may trade at a discount to Net Asset Value per Share for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Company's investment objective and investment policy, an excess of supply over demand for the Shares, and to the extent investors undervalue the management activities of the Executive Directors or discount the valuation methodology and judgments made by the Company. While the Directors may seek to mitigate any discount to Net Asset Value per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.

### ***The value and/or market price of the Shares may go down as well as up***

Prospective investors should be aware that the value and/or market price of the Shares may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.

The market price of the Shares may not reflect the value of the underlying investments of the Group and may be subject to wide fluctuations in response to many factors, including, among other things, variations in the Company's operating results, additional issuances or future sales of the Shares or other securities exchangeable for, or convertible into, its Shares in the future, the addition or departure of Board members (in particular any of the Executive Directors), expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the UK property market as a whole, the Company or any of its assets, a perception that other markets may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company's market and other events and factors within or outside the Company's control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may have a material adverse effect on the market price for the Shares. The market value of the Shares may vary considerably from the Company's underlying Net Asset Value. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Shares.

### ***The market price of the Shares may rise or fall rapidly***

General movement in local and international stock markets and real estate markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions may all affect the market price of the Shares. To optimise returns, Shareholders may need to hold the Shares for the long term and the Shares are not suitable for short term investment.

### ***The Company may in the future issue new equity, which may dilute Shareholders' equity***

The Company may seek to issue new equity in the future. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied. Where statutory pre-emption rights are disapplied, any

additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

***Future sales of Shares could cause the market price of the Shares to fall***

Sales of Shares or interests in the Shares by significant investors could depress the market price of the Shares. A substantial amount of Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Shares at a time and price that they deem appropriate.

***The Company may not have adequate distributable profits to allow the Company to return capital to Shareholders***

Investors are reminded that, in accordance with the Companies Act, Shares may only be repurchased out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or out of distributable profits (including any reserve arising out of the cancellation of the Company's share premium account). There can be no assurance that the Company will have any such proceeds or distributable profits to allow the Company at any time to utilise any granted buy-back authority and to thereby return capital to Shareholders.

In the event of a winding-up of the Company, the Shares will rank behind any creditors of the Company and, therefore, any positive return for holders of Shares will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

***The Shares may be subject to significant forced transfer provisions***

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or with any securities or regulatory authority of any state or other jurisdiction in the United States. Moreover, the Shares are only being offered and sold, (i) outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from registration requirements of the U.S. Securities Act provided by Regulation S thereunder, and (ii) pursuant to a private placement to persons located inside the United States or U.S. Persons that are "qualified institutional buyers" (as the term is defined in Rule 144A under the U.S. Securities Act) that are also "qualified purchasers" within the meaning of Section 2(a)(51) of the U.S. Investment Company Act in reliance on the exemption from registration provided by Section 4(a)(2) of the U.S. Securities Act.

If at any time the holding or beneficial ownership of any Shares in the Company by any person (whether on its own or taken with other Shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its Shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**") and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Exchange Act; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, the Directors may require the holder of such Shares to dispose of such Shares and, if the Shareholder does not sell such Shares, may dispose of such Shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and shareholders of the Company generally to sell the Shares and may have an adverse effect on the market value of the Shares.

## RISKS RELATING TO REGULATION AND TAXATION

### ***A change in the Company's tax status or in taxation legislation in the UK could adversely affect the Company's profits and portfolio value and/or returns to Shareholders***

The levels of, and reliefs from, taxation may change, adversely affecting the financial prospects of the Company and/or the returns payable to Shareholders.

Any change in the Company's tax status or in taxation legislation in the UK (including a change in interpretation of such legislation) could affect the Company's ability to achieve its investment objective or provide favourable returns to Shareholders. In particular, an increase in the rates of SDLT or the abolition of Multiple Dwelling Relief could have a material effect on the value of the Group's property assets and the price at which UK property assets can be acquired. Any such change could also adversely affect the net amount of any dividends payable to Shareholders and/or the price of the Shares.

### ***There is no guarantee that the Group will maintain REIT status***

The Company cannot guarantee that the Group will maintain REIT status nor can it guarantee continued compliance with all of the REIT conditions and there is a risk that the REIT regime may cease to apply in some circumstances. HMRC may require the Group to exit the REIT regime if:

- it regards a breach of conditions or failure to satisfy the conditions relating to the REIT status of the Company or the Group, or an attempt to obtain a tax advantage, as sufficiently serious;
- the Company or the Group has committed a certain number of breaches in a specified period; or
- HMRC has given members of the Group at least two notices in relation to the avoidance of tax within a 10 year period.

If the conditions for REIT status relating to the share capital of the Company (i.e. the Company may issue only one class of ordinary share capital and/or issue non-voting restricted preference shares) or the prohibition on entering into loans with abnormal returns are breached, or the Company ceases to be UK tax resident, becomes dual tax resident or becomes an open-ended investment company, the Group will automatically lose its REIT status with effect from the end of the previous accounting period.

The Group could lose its status as a REIT as a result of actions by third parties, for example, in the event of a successful takeover by a company that is not a REIT, or due to a breach of the close company conditions after the period of 3 years beginning with the date the Group becomes a REIT, if it is unable to remedy the breach within a specified timeframe.

Future changes in legislation may cause the Group to lose its REIT status.

If the Group were to be required to leave the REIT regime within 10 years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the Group is treated as exiting the REIT regime. The Group may also in such circumstances be subject to an increased tax charge.

### ***If the Group fails to remain a REIT for UK tax purposes, its profits and gains will be subject to UK corporation tax***

The requirements for maintaining REIT status are complex. Minor breaches of certain conditions within the REIT regime may only result in additional tax being payable or will not be penalised if

remedied within a given period of time, provided that the regime is not breached more than a certain number of times. A serious breach of these regulations may lead to the Group ceasing to be a REIT. If the Company or the Group fails to meet certain of the statutory requirements to maintain its status as a REIT, it may be subject to UK corporation tax on its property rental income profits and any chargeable gains on the sale of some or all properties. This could reduce the reserves available to make distributions to Shareholders and the yield on the Shares. In addition, incurring a UK corporation tax liability might require the Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Group's REIT status is withdrawn altogether because of its failure to meet one or more REIT qualification requirements, it may be disqualified from being a REIT from the end of the accounting period preceding that in which the failure occurred.

***Distribution requirements may limit the Company's flexibility in executing its acquisition plans***

The Group is intending to grow through acquisitions of operating properties and development of new properties. However, the REIT distribution requirements may limit the Group's ability to fund acquisitions and capital expenditures through retained income earnings. To maintain REIT status and as a result obtain full exemption from UK corporation tax on the profits of the Property Rental Business of the Group, the Company is required to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distributions. The Group would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that the Company distributes as Property Income Distributions less than the amount required to meet the 90 per cent. distribution test for each accounting period. Therefore, the Group's ability to grow through acquisitions of operating properties and development of new properties could be limited if the Group was unable to obtain debt or issue Shares.

In addition, differences in timing between the receipt of cash and the recognition of income for the purposes of the REIT rules and the effect of any potential debt amortisation payments could require the Group to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings.

As a result of these factors, the constraints of maintaining REIT status could limit the Group's flexibility to make investments.

***The Group's status as a REIT may restrict the Company's distribution opportunities to Shareholders***

A REIT may become subject to an additional tax charge if it makes a distribution to, or in respect of, a Substantial Shareholder, that is broadly a company which has rights to 10 per cent. or more of the distributions or Shares or controls at least 10 per cent. of the voting rights. This additional tax charge will not be incurred if the Company has taken reasonable steps to avoid paying distributions to a Substantial Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where distributions may become payable to a Substantial Shareholder and these provisions are summarised at paragraph 3.2 of Part 6 of this Prospectus. These provisions provide the Directors with powers to identify Substantial Shareholders and to prohibit the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met. The Articles also allow the Directors to require the disposal of Shares forming part of a Substantial Shareholding in certain circumstances where the Substantial Shareholder has failed to comply with the above provisions.

# IMPORTANT INFORMATION

## GENERAL

This Prospectus should be read in its entirety before making any application for Shares. In assessing an investment in the Company, investors should rely only on the information in this Prospectus and any supplementary prospectus published by the Company prior to Admission.

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

Statements made in this Prospectus are based on the law and practice in force in England and Wales as at the date of this Prospectus and are subject to changes therein.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus is received are required to inform themselves about and to observe such restrictions.

Applicants under the Open Offer and the Offer for Subscription are strongly recommended to read and consider this Prospectus before completing the Open Offer Application Form or the Application Form respectively. Qualifying CREST Shareholders have not been sent an Open Offer Application Form. Instead, Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlement and Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 5 July 2017.

The Company consents to the use of this Prospectus by financial intermediaries in connection with any subsequent resale or final placement of securities by financial intermediaries in the UK on the following terms: (i) in respect of the financial intermediaries who have been appointed by Jefferies prior to the date of this Prospectus, as listed in paragraph 15 of Part 9 of this Prospectus, from the date of this Prospectus, and (ii) in respect of financial intermediaries who are appointed by Jefferies after the date of this Prospectus, a list of which will appear on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by financial intermediaries at 11.00 a.m. on 19 July 2017, unless closed prior to that date. **Any financial intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent and the conditions attached thereto. Any application made by investors to any financial intermediary is subject to the terms and conditions imposed by each financial intermediary.**

The Company accepts responsibility for the information contained in this Prospectus with respect to any subscriber for Shares pursuant to any subsequent resale or final placement of securities by financial intermediaries.

Any new information with respect to financial intermediaries unknown at the time of approval of this Prospectus will be available on the Company's website.

## **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

In relation to each Relevant Member State, no Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with this Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under this Prospectus Directive, if they are implemented in that Relevant Member State:

- to any legal entity which is a "qualified investor" as defined in this Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in this Prospectus Directive) in such Relevant Member State; or
- in any other circumstances falling within Article 3(2) of this Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of this Prospectus Directive or any measure implementing this Prospectus Directive in a Relevant Member State (other than the United Kingdom) and each person who initially acquires any Shares or to whom any offer is made under the Issue will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of this Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing this Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**")), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

In addition, Shares will only be offered in any relevant EEA jurisdiction, (i) to the extent that the Company has given notification of its intention to market in such relevant EEA jurisdiction pursuant to the passporting regime established for full-scope EEA AIFMs under the AIFM Directive; or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor) to an investor resident in such relevant EEA jurisdiction.

## **FOR THE ATTENTION OF RESIDENTS OF THE NETHERLANDS**

The Placing is solely directed to qualified investors (*gekwalificeerde beleggers*) within the meaning of section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*), as amended from

time to time. No approved prospectus is required in connection with the Placing in the Netherlands pursuant to this Prospectus Directive (Directive 2003/71/EC), as amended.

#### **FOR THE ATTENTION OF RESIDENTS OF BELGIUM**

The Placing is to be exclusively conducted under applicable private placement exceptions and therefore has not been and will not be notified to, and any other offering material relating to the Placing has not been, and will not be approved by, the Belgian Financial Services and Markets Authority pursuant to the Belgian laws and regulations applicable to the public offering of securities. Accordingly, this Prospectus and any other documents or materials related to the offer or sale, or invitation for subscription or purchase, of the Shares, may not be advertised, offered or distributed in any other way, directly or indirectly, (i) to any other person located and/or resident in Belgium other than a professional client within the meaning of Annex II to Directive 2004/39/EC or an eligible counterparty within the meaning of Article 24 of the same directive, or (ii) to any person qualifying as a consumer for the purposes of Book VI of the Belgian Code of economic law, unless this is in compliance with the relevant provisions of such code and the implementing regulation.

#### **FOR THE ATTENTION OF RESIDENTS OF SWITZERLAND**

Neither the Shares nor this Prospectus or any other offering material relating to the Company may be distributed in or from Switzerland. The Company is not authorised by or registered with the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”) under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). Therefore, investors do not benefit from protection under CISA or supervision by FINMA. Neither this Prospectus nor any other offering or marketing material relating to the Company constitutes a prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations or a prospectus pursuant to the CISA.

#### **FOR THE ATTENTION OF RESIDENTS OF GUERNSEY**

The Shares may only be promoted in or from within the Bailiwick of Guernsey by persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended). Persons appointed by the Company and not so licensed may not promote the Company in Guernsey to private investors and may only distribute and circulate any document relating to Shares in Guernsey to persons regulated as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, and provided that the provisions of Section 29(1)(cc) of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) are satisfied. Promotion of the Shares may not be made in any other way. The Guernsey Prospectus Rules 2008 do not apply to the offer of the Shares.

#### **FOR THE ATTENTION OF RESIDENTS OF JERSEY**

This Prospectus may be circulated in Jersey only by persons who are registered by the Jersey Financial Services Commission in accordance with the Financial Services (Jersey) Law 1998, as amended, for the conduct of financial services business, or are exempt from such registration in accordance with the Financial Services (Jersey) Law 1998, as amended. In addition, this Prospectus may be circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom. Consent for the circulation of this Prospectus in accordance with article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, has not been sought from or given by the Jersey Financial Services Commission.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and the Listing Rules.

Nothing in the preceding two paragraphs should be taken as qualifying the working capital statement in paragraph 11 of Part 9 of this Prospectus.

## **PRESENTATION OF FINANCIAL INFORMATION**

The Company prepares its financial information under IFRS and EPRA's best practice recommendations. The financial information contained or incorporated by reference in this Prospectus, including that financial information presented in a number of tables in this Prospectus, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

## **NO INCORPORATION OF WEBSITE INFORMATION**

The Company's website address is [www.empiric.co.uk](http://www.empiric.co.uk). The contents of the Company's website do not form part of this Prospectus.

## EXPECTED TIMETABLE

### Open Offer

Record date for entitlements under the Open Offer	6.00 p.m. on 30 June 2017
Open Offer Application Forms dispatched to Qualifying Non-CREST Shareholders	4 July 2017
Ex-entitlement date for the Open Offer	8.00 a.m. on 4 July 2017
Basic Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST (Qualifying CREST Shareholders only)	As soon as practicable after 8.00 a.m. on 5 July 2017
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST (i.e. if your Basic Entitlements and Excess CREST Open Offer Entitlements are in CREST and you wish to convert them to certificated form)	4.30 p.m. on 13 July 2017
Latest time and date for depositing Basic Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 14 July 2017
Latest time and date for splitting of Open Offer Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 17 July 2017
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 19 July 2017

### Placing and Offer for Subscription

Placing and Offer for Subscription open	4 July 2017
Latest time and date for receipt of completed Application Forms and payment in full under the Offer of Subscription	11.00 a.m. on 19 July 2017
Latest time and date for receipt of placing commitments under the Placing	3.00 p.m. on 19 July 2017

### Other key dates

Results of the Issue announced	8.00 a.m. on 20 July 2017
General Meeting	11.00 a.m. on 21 July 2017
Admission and crediting of CREST accounts in respect of the Issue	8.00 a.m. on 24 July 2017
Share certificates dispatched in respect of the Issue	week commencing 7 August 2017 or as soon as possible thereafter

*The times and dates set out in the expected timetable and mentioned throughout this Prospectus may, in certain circumstances, be adjusted by the Company, in which event details of the new times and dates will be notified, as required, to the UKLA and the London Stock Exchange and, where appropriate, Shareholders and an announcement will be made through a Regulatory Information Service. All references to times in this Prospectus are to London time unless otherwise stated.*

## ISSUE STATISTICS

Issue Price per Share	109 pence
New Shares being issued*	Up to 137,614,678
Gross Proceeds*	£150 million <sup>(1)</sup>
Estimated Net Proceeds*	£146.9 million <sup>(1)</sup>

\* *The aggregate number of Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds and the Net Proceeds of the Issue, is not known as at the date of this Prospectus but will be notified by the Company via a Regulatory Information Service prior to Admission. If the Placing, the Open Offer and the Offer for Subscription do not proceed, relevant subscription monies received will be returned without interest at the risk of the applicant.*

(1) *Assuming the Issue is subscribed, in aggregate, as to the maximum issue size of 137,614,678 Shares.*

## DEALING CODES

The dealing codes for the Shares, the Basic Entitlements and the Excess CREST Open Offer Entitlements are as follows:

ISIN – Shares	GB00BLWDV75
SEDOL – Shares	BLWDV7
Ticker – Shares	ESP
ISIN – Basic Entitlements	GB00BF0P2476
SEDOL – Basic Entitlements	BF0P2476
ISIN – Excess CREST Open Offer Entitlements	GB00BF0P2583
SEDOL – Excess CREST Open Offer Entitlements	BF0P2583

## DIRECTORS, MANAGEMENT AND ADVISERS

<b>Directors</b>	Brenda Dean (The Rt Hon Baroness Dean of Thornton-le-Fylde) ( <i>Chairman</i> ) Paul Hadaway ( <i>Chief Executive Officer</i> ) Timothy Attlee ( <i>Chief Investment Officer</i> ) Lynne Fennah ( <i>Chief Financial Officer</i> ) Stephen Alston ( <i>Non-Executive Director</i> ) Jim Prower ( <i>Non-Executive Director</i> ) Stuart Beevor ( <i>Non-Executive Director</i> )  all of the registered office below:
<b>Registered Office</b>	Swan House 17-19 Stratford Place London W1C 1BQ Tel: +44(0)20 3828 8700 Website: www.empiric.co.uk
<b>Joint Financial Advisers</b>	Akur Limited 66 St James's Street London SW1A 1NE  Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ
<b>Sponsor, Sole Global Coordinator and Bookrunner</b>	Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ
<b>Legal Adviser to the Company</b>	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
<b>Legal Adviser to the Sponsor, Joint Financial Advisers and Sole Global Coordinator and Bookrunner</b>	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
<b>Administrator and Company Secretary</b>	FIM Capital Limited 7 Cavendish Square London W1G 0PE
<b>Depository</b>	Kingfisher Property Partnerships Limited 41-43 Maddox Street London W1S 2PD

<b>Registrar</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE
<b>Receiving Agent</b>	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH
<b>Auditor and Reporting Accountant</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Valuer</b>	CBRE Limited Henrietta House Henrietta Place London W1G 0NB

## **PART 1**

### **INFORMATION ON THE GROUP**

#### **1 INTRODUCTION**

The Company is a closed-ended investment company incorporated in England and Wales and carries on business as a REIT, investing in the student residential accommodation sector. The Shares are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

As at 3 July 2017 (being the latest practicable date prior to the publication of this Prospectus), the Company has raised gross equity funds of, in aggregate, £522.1 million since June 2014. In addition, as at 3 July 2017 (being the latest practicable date prior to the publication of this Prospectus), the Group has approximately £303.9 million of drawn down debt financing which together with its equity funds has been invested in, or committed to, the Property Portfolio.

The Property Portfolio at the date of this Prospectus comprises: 75 operating student accommodation properties; and 15 student accommodation properties in development consisting of a mix of forward funded and direct development projects located in 30 prime student cities and towns across the UK.

The properties consist of premium quality, purpose built or purpose renovated predominantly direct let student accommodation with high specification layouts and communal facilities. Summary details of the Property Portfolio are set out in Part 2 of this Prospectus.

The Company is an internally managed investment company and is authorised and regulated by the FCA as its own alternative investment fund manager. The Board as a whole is therefore responsible for the determination of the Company's investment objective and investment policy and has overall responsibility for the Company's activities. The Executive Directors undertake the management of the Company's investment activities on a day-to-day basis. The Chief Executive Officer and Chief Investment Officer are experienced real estate professionals. In addition to this sector specific real estate expertise, the Board as a whole combines individuals with extensive experience of acting as directors of premium listed companies and other real estate expertise, including in the student accommodation sector.

The Company has an experienced internal management team consisting of 26 full-time employees (including the Executive Directors) who are responsible for managing the Group's operating properties, overseeing the management and delivery of the Group's development projects and the provision of the Group's internal finance function.

As at 30 April 2017, the unaudited basic estimated Net Asset Value per Share was 107.75 pence. This compares to the audited basic Net Asset Value per Share as at 31 December 2016 of 105.9 pence. Since its initial public offering, the Company has paid or declared cumulative dividends amounting to 14.6 pence per Share.

As at 3 July 2017 (being the latest practicable date prior to the publication of this Prospectus), the Company had a market capitalisation of approximately £558.9 million.

The Company is a constituent member of the FTSE EPRA/NAREIT indices.

#### **2 INVESTMENT STRATEGY**

Since the Company's initial public offering in June 2014, the Company's investment strategy has focused on delivering a robust portfolio of premium quality, purpose built or purpose renovated

direct let student accommodation. These assets have been acquired at attractive net initial yields which the Board expects to generate good returns for the Group. As at 3 July 2017 (being the latest practicable date prior to the publication of this Prospectus), the Group had acquired or exchanged contracts on, in aggregate, 8,762 beds in operation or under development, and the Group is therefore well advanced in achieving its IPO target of reaching 10,000 beds within five years.

In December 2016, the Company obtained Shareholder approval to amend its investment policy in order to broaden its investment strategy and implement the Directors' "2025 Plan" for the Company's future growth and development. The 2025 Plan is designed to attract a wider target customer base at different stages of their academic life by investing in a wider range of accommodation types as follows:

**Core Studio and Premium Small Group** – this represents the Group's core investment strategy and includes premium studio, two bed and three bed apartments which will continue to expand on a measured opportunistic basis, responding to market demands and in-filling the Group's existing portfolio to achieve operational efficiencies;

**Premium Houses** – this represents accommodation in prime locations configured into townhouses with large living spaces which will appeal to customers seeking high specifications within a group environment. Shared communal facilities and a concierge desk would be provided similar to the Core Studio and Premium Small Group;

**Affordable Apartments** – with a focus on prime locations, this represents new stock types which fit with the Group's brand and service offer, but at more affordable rent levels. These are designed as tightly planned and contemporary two, three and four bedroom apartments arranged around staircases to avoid an institutional feel; and

**University Relationships** – this involves working with universities to bring a range of product types and the strength of the Group's business to bear on or near campus, through either new build or sale, refurbish and leaseback of existing stock. Working with universities will bring the Group into contact with more first year students opening a new channel for tenant progression through the Group's portfolio.

The Directors expect that each of these accommodation types will grow at different rates, as the pipeline of opportunities is likely to vary in each case. Equally, operational efficiencies will be achieved differently for each accommodation type.

In delivering the 2025 Plan, the guiding principle for the Group will be to provide Shareholders with a fully covered, progressive dividend which means that the capacity for development will grow only as the operating portfolio grows and consequently, income with it.

### **3 BACKGROUND TO, AND REASONS FOR, THE ISSUE**

The Company intends to raise up to £150 million (before expenses) through the Issue. The Issue comprises the Placing, the Open Offer and the Offer for Subscription, of, in aggregate, up to 137,614,678 new Shares (based on the maximum issue size of £150 million) at an Issue Price of 109 pence per new Share.

The Company expects to use the proceeds of the Issue to acquire further investments in line with its "2025 Plan" investment strategy, to fund specified capital investments in its existing assets and for general corporate purposes.

The Company has access to a pipeline of potential investments and is engaged in discussions with the owners or developers of a number of assets that meet the Company's investment criteria and are available for potential acquisition.

In particular, the Company is currently in advanced exclusive negotiations in relation to the acquisition of a portfolio of five attractive operating assets located in London comprising over 1,000 beds for an acquisition consideration (including existing debt) of approximately £112 million. In addition, the Company has identified a strong near-term pipeline comprising a mix of operating properties and properties under development across multiple locations in the UK representing in aggregate a further 2,412 beds. The Directors consider that these investment opportunities are likely to be value-accretive to investors over the medium term.

#### **4 NET ASSET VALUE UPDATE**

As at 30 April 2017, the unaudited basic estimated Net Asset Value per Share was 107.75 pence. This compares to the basic audited Net Asset Value per Share as at 31 December 2016 of 105.9 pence. For the purposes of calculating the unaudited basic estimated Net Asset Value the Property Portfolio has been independently valued as at 30 April 2017.

#### **5 THE PROPERTY PORTFOLIO**

As at the date of this Prospectus, the Group's property portfolio comprises 75 operating student accommodation properties; and 15 student accommodation properties in development consisting of a mix of forward funded and direct development projects located in 30 prime student cities and towns across the UK. Further details of the Property Portfolio are set out in Part 2 of this Prospectus.

The portfolio of operating properties is Fully Let for the 2016/2017 academic year (meaning an occupancy and/or income level of the operating portfolio of 97 per cent. or more). The gross annualised rent for the operating properties as at 31 December 2016 was £52.1 million, of which £1.8 million (representing 3.4 per cent. of the gross annualised rent) was attributable to commercial revenue. Rental growth in the operating properties is an average of approximately 2.8 per cent., comparing 2016/2017 with 2015/2016. The Group is targeting an annual rental uplift for the 2017/18 academic year of approximately 2.8 per cent., with a gross annualised rent roll (including commercial) as at 30 April 2017 of approximately £63.6 million on 81 properties expected to be operating for the academic year commencing in September 2017.

Students pay for their accommodation termly in advance if they are UK residents or have a UK guarantor. If they are overseas students, without a UK guarantor, then students pay for their entire year in advance. The majority of the tenancies are for 51 weeks, although student accommodation in Edinburgh often has 44 week tenancies with extra income derived from lettings during the festival period.

Prices for rooms in student accommodation developments are typically determined towards the end of a calendar year, with bookings taken at those prices throughout the months preceding the start of the academic year in September.

The average net yield on acquisition of the operating properties, or on cost for those development assets that had reached practical completion, as at 31 December 2016 was 6.5 per cent. compared to an average valuation yield as at 30 April 2017 of 5.9 per cent.

#### **6 OPERATIONS AND FACILITIES/LETTINGS MANAGEMENT**

The Group is responsible for the facilities and lettings management of all properties in the Property Portfolio. The Group has developed and launched its own internal operations and lettings management platform under the "Hello Student<sup>®</sup>" brand. In addition, to facilitate its administrative and resource requirements, the Group also engages professional external facilities and lettings managers.

## 6.1 ***Hello Student® Management***

In February 2016, the Group launched its operational platform and consumer brand Hello Student® at [www.hellostudent.co.uk](http://www.hellostudent.co.uk). The Company is directly employing local accommodation managers for its buildings and is in the process of appointing a team of regional managers based across the UK who will form the national management and concierge team under the Hello Student® platform. Incentive Facilities Management Group Ltd provides facilities management and maintenance services nationwide across the Group's portfolio, working in partnership with the Group to provide a single central resource for the Hello Student® operational platform and its managers.

Hello Student® is now directly managing 49 of the Group's operating student accommodation assets and is marketing these and seven of the Group's assets currently under development that will become operational for the 2017/18 academic year. By the start of the 2018/19 academic year, it is expected that all of the Group's current Property Portfolio will be marketed and managed under the Hello Student® platform.

## 6.2 ***External facilities and lettings managers***

In addition to its in-house operations platform, the Group also utilises the services of a number of external facilities and lettings managers. This includes larger national players, such as Collegiate Accommodation Consulting Limited, together with specialist local operators where appropriate. In addition, the Group has engaged Bilfinger GVA as managing agent in relation to the majority of the commercial units forming part of its properties. The Company anticipates that further external facilities and lettings managers may be engaged in relation to future properties acquired by the Group but the medium to long-term plan is to reduce such number.

Under these arrangements, the facilities and lettings managers engaged by the Group will generally undertake property and facilities management services in relation to the relevant student units including collaborating with the Group in relation to the marketing and letting of the units in each property, rent collection and credit control services, payment of agreed capital expenditure, preparation of operating budgets for approval, overseeing building maintenance, maintenance of tenancy records, acting as tenant liaison and production of agreed management reports and performance measures for the properties.

External marketing and operations managers are paid a fee based on a proportion of rent collected. Depending on the manager and the building, this varies between 4-6 per cent. This fee along with other external costs such as utilities, health and safety, maintenance and repairs amounts to approximately 30 per cent. of the gross annual rental income.

## **7 FORWARD FUNDED AND DEVELOPMENT ASSETS**

### 7.1 ***Forward funded projects***

Save for the restriction that the maximum exposure to any single developer will be limited to 20 per cent. of the Gross Asset Value (measured at the time of investment), the Company has no restriction on its ability to forward fund development projects by third party developers.

In relation to a forward funded project, the Group will acquire the site directly (conditional on receiving planning permission), and fund the development of the project in stages, with the actual development work undertaken by a third party developer which will have identified the site prior to the Group's involvement, arranged all the planning applications and organised and managed the various building contractors. The required development financing will be paid pursuant to an agreed schedule during the development phase of the project, usually with a bullet balancing payment to the developer paid at completion when the Group takes possession of the completed asset for no further consideration. In the development phase, forward funded projects typically generate a coupon (or interest payment) for the funder of approximately 7 per cent. per annum,

which is calculated by reference to the staged payments made to the third party developer, and is paid by the third party developer in cash or, alternatively, this liability is rolled up into the overall contract price. Under a forward funded arrangement, the risk of cost overruns rests with the third party developer.

Furthermore, the Group seeks to enter into forward letting arrangements for each forward funded project prior to practical completion of the asset in line with its strategy for each of its existing operating assets.

Investing in forward funded projects has several key benefits for the Group over investing in existing operating assets, including:

- the ability to configure and design the property to meet the exact standards of the Group and the requirements of the market, matching its existing portfolio; and
- a greater yield on cost for the benefit of the Group and Shareholders.

Investing in forward funded projects also has several benefits for the Group over investing in direct developments, including:

- the responsibility and risk for completion of the forward funded project lies with the third party developer rather than the Group;
- the management input required from the Group's management team is significantly reduced; and
- the time taken to deliver a forward funded asset is typically much quicker as the third party developer has usually invested a significant amount of time in the development of the project prior to the Group's involvement.

The Board considers that any risk arising from increased exposure to forward funded assets is materially mitigated by the following:

- the Group typically acquires the land subject to an agreement with a third party developer who would be responsible for delivering the completed asset;
- the Group will only release funds in stages on the basis of architects' certificates, typically with a retention amounting to 15 to 20 per cent. of the total contract price which is only payable following completion;
- all of the professionals involved in constructing the asset carry professional indemnity insurance assessed at a suitable level for the project and any significant contractors/sub-contractors provide warranties to repair/replace as necessary and these typically apply for at least 10 years following practical completion;
- the developer will place a contract with a contractor who will have responsibility for constructing the building. The contractor will be of significant financial standing and agreed by the Group as suitable. The design and process of the build is planned and overseen by a team of highly experienced professionals including engineers, independent architects, quantity surveyors and monitoring building surveyors (appointed solely to report to the Group). At all times the building under construction is fully insured;
- in the event of the developer's insolvency, the Group will have the ability to step-in and arrange for completion of the building with no further liability to the original developer; and

- the maximum exposure to any single developer is limited to 20 per cent. of the Company's Gross Asset Value (measured at the time of investment) in order to mitigate any concentration risk.

## **7.2 Development projects**

Up to 15 per cent. of the Net Asset Value of the Company (measured at the commencement of the project) may be committed to development projects.

The Company has entered into the Revcap Development Framework Agreement which sets out a framework under which the Company and Revcap will cooperate through a joint venture to identify, acquire (subject to planning), secure planning and develop suitable properties and sites that can be developed or converted into prime student residential accommodation. In connection with each joint venture development with Revcap, Empiric Developments will be responsible for the day-to-day project management and will receive an asset management fee. Empiric Developments Limited will also receive an incentive profit share from each joint venture development based on the IRR achieved. The Company will have a right to procure repayment by a joint venture company of the Revcap shareholder loan and to purchase Revcap's interest in each joint venture company. The current properties which have benefited from this joint venture arrangement are Brunswick House, Southampton and Willowbank, Glasgow. Further details of the Revcap Development Framework Agreement are set out in paragraph 9.11 of Part 9 of this Prospectus.

## **8 INVESTMENT OBJECTIVE**

The investment objective of the Company is to provide Shareholders with regular, sustainable and growing long-term dividends (which it will seek to grow at least in line with the RPI inflation index) together with the potential for capital appreciation over the medium to long term.

## **9 INVESTMENT POLICY**

The Company intends to meet its investment objective through acquiring, owning, leasing, developing and managing student residential accommodation in the UK across multiple formats, let on direct tenancy agreements to tenants enrolled with Higher Education Institutions ("HEIs") and on other longer term lease arrangements directly with HEIs or other entities, as appropriate for the type of accommodation format and location. The Company will invest in modern, student accommodation assets with a focus on quality (as appropriate for the price point), and situated in prime locations, generally in or around the city centre and/or the local HEIs in top university cities and towns. The Company is focused on investing in, and developing, residential accommodation in locations where the Executive Directors believe attractive opportunities exist for the Company to exploit demand for student residential accommodation.

The Company anticipates that rental income will be generated predominantly from direct leases and/or licences to students (with the rent being inclusive of wifi/internet, all utilities, and access to on-site amenities). The Company may also derive rental income from agreements with students that are guaranteed by HEIs or where the rental income is paid directly by HEIs (including via leases or "hard" nominations agreements). The Company may also enter into "soft" nominations agreements with HEIs (being marketing arrangements with HEIs to place their students in private accommodation). In addition, the Company anticipates benefiting in some cases from ancillary commercial lease opportunities within student accommodation properties, including (but not limited to) retail outlets and mobile telephone transmission apparatus.

The Group may acquire assets through acquisitions of the freehold or leasehold title of underlying property or through the acquisition of the subsidiary companies or other investment vehicles through which such properties are owned. The Company may acquire operating leases which are generally anticipated not to be shorter than 35 years in duration. The Company may also opportunistically acquire portfolios of student accommodation properties. Following such a

transaction, individual properties within such a portfolio, which do not meet the Group's required standards or which cannot be cost effectively refurbished, may be sold.

The Company also intends to undertake limited development of new buildings or conversion of existing properties for student accommodation and related services which may be undertaken by the Company on its own or in conjunction with a suitable development partner. Save for any development assets that may be held by the Group in 50/50 joint venture companies during the development phase of such projects, the Group intends to have sole freehold or leasehold ownership of all investments, either directly or indirectly.

The Board intends to hold the Group's investments on a long term basis. The Group, however, may dispose of investments outside of this time frame, should an appropriate opportunity arise where, in the Board's opinion, the value that could be realised from such a disposal would represent a satisfactory return on the initial investment and/or otherwise enhance the value of the Group, taken as a whole. There is no limit on the number of investments which the Group may dispose of from the portfolio (subject always to maintaining compliance with the investment restrictions that form part of the investment policy).

## **10 INVESTMENT RESTRICTIONS**

The Company will invest and manage its assets with the objective of spreading risk through the following investment restrictions:

- the Company will generate its rental income from a portfolio of not less than five separate buildings (such minimum to exclude development and forward funded projects, and to count two or more buildings in close proximity or on the same campus as a single building);
- the value of no single asset at the time of investment will represent more than 20 per cent. of the Gross Asset Value;
- at least 90 per cent. by value of the properties directly or indirectly owned by the Company shall be in the form of freehold or long leasehold properties (with over 100 years remaining at the time of acquisition) or the equivalent;
- the Company may commit up to a maximum of 15 per cent. of its Net Asset Value (measured at the commencement of the project) to expenditure in relation to development projects (including conversion of buildings to student accommodation). All development projects will be conducted in special purpose vehicles with no recourse to the other assets of the Group. This restriction will be calculated by reference to the equity requirement of all such projects in progress (i.e. up to practical completion) at the time of commitment, to include expenditure already made in such projects and the remaining budgeted expenditure (the "Development Limit"). For the purposes of the Development Limit, "equity requirement" shall mean the amount of equity or shareholder loans contributed and/or committed by the Company or any other Group entity to the relevant special purpose vehicle and shall exclude other sources of funds obtained by such special purpose vehicle;
- the calculation of the Development Limit shall exclude from the numerator the acquisition cost of the relevant undeveloped land or property in use, or to be used, for development projects, which shall be subject to a separate limit of 10 per cent. of Net Asset Value (measured at the time of investment);
- for the avoidance of doubt, the calculation of the Development Limit shall also exclude from the numerator all investment and expenditure on the renovation, restoration, fit-out, internal reconfiguration, maintenance and engineering works and general up-keep of any existing and new student accommodation investments by the Group;

- for the avoidance of doubt, the Development Limit restriction does not apply to forward funded projects, being those projects where the Group typically acquires the site directly (conditional on receiving planning permission), and funds the development of the project in stages, with the actual development work undertaken by a third party developer, who arranges the planning applications and organises and manages the various building contractors;
- with respect to forward funded projects, the maximum exposure to any single developer will be limited to 20 per cent. of the Gross Asset Value (measured at the time of investment);
- rent from ancillary commercial leases will be limited to 25 per cent. of total rent receipts of any single building and to 15 per cent. of the Group's total rent receipts;
- in each case where investment is via a joint venture arrangement, the relevant restriction will be calculated by reference to the Company's share of the relevant joint venture; and
- the Company will not invest in other closed-ended investment companies.

The Company will also seek to spread risk by seeking to achieve a diversified exposure to individual cities, towns and HEIs, though no quantitative limits are in place, due to the widely various demographics prevailing in different locations.

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.

The Directors currently intend, at all times, to conduct the affairs of the Group 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).

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 Regulatory Information Service.

## **11 BORROWING POLICY**

The Board expects to use Company level structural leverage for investment purposes to enhance equity returns. Details of the key terms of these facilities are summarised in the material contracts section in Part 9 of this Prospectus.

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. If gearing is employed, the Company will maintain a conservative level of aggregate borrowings typically of 35 per cent. but no more than 40 per cent. of the Gross Asset Value (calculated at the time of draw down) and will comply with the REIT condition relating to the ratio between the Company's 'property profits' and 'property finance costs' (in this regard, a tax charge will arise if, in respect of any accounting period, the ratio of the Group's income profits (before capital allowances) in respect of its Property Rental Business to the financing costs incurred in respect of the Property Rental Business is less than 1.25).

As at 30 April 2017, the Group has approximately £289 million of drawn debt financing representing a loan to value ratio of approximately 34 per cent. Since 30 April 2017, the Group has drawn down further debt totalling £15 million.

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 Group's assets to take advantage of potentially preferential terms. Development loans, however, will only be secured at the individual asset level, without recourse to the Group's other assets or revenues.

Where the Group takes on floating rate loan facilities, the Group may engage in interest rate hedging in respect of borrowings, or otherwise seek to mitigate the risk of interest rate increases, for efficient portfolio management purposes only.

The borrowing limits set out above will be inclusive of the Group's pro-rata share of development loans incurred in relation to joint venture development projects. Intra-group debt between the Company and subsidiaries will not be included in the definition of borrowings for these purposes.

The restrictions in the investment policy and investment restrictions will apply on a look-through basis irrespective of how an investment is held. No material change will be made to the investment policy and investment restrictions without the prior approval of the FCA and the Shareholders by ordinary resolution.

Further details of the REIT conditions are set out at paragraph 2.2 of Part 6 of this Prospectus.

## **12 DIVIDEND POLICY AND TARGET RETURNS**

The Company intends to pay dividends on a quarterly basis with dividends ordinarily declared in February, May, August and November in each year and paid within one month of being declared.

The Company is targeting a dividend of 6.1 pence per Share for the year to 31 December 2017. It is anticipated the dividend will be substantially covered by Adjusted EPRA Earnings per Share for 2017 and going forward.

In order to comply with and maintain REIT status, the Group will be required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits of the Property Rental Business for each accounting period, as adjusted for tax purposes.

The Company will target a total Shareholder return (Net Asset Value growth plus dividends) of 10 per cent. per annum.

**Investors should note that the figures in relation to dividends and total Shareholder return set out above and elsewhere in this Prospectus are for illustrative purposes only and are not intended to be, and should not be taken as, a profit forecast or estimate or a dividend declaration.**

## **13 VALUATION POLICY**

The Directors use CBRE as property valuer to the Company. Valuations of the Company's properties are typically conducted semi-annually at 30 June and 31 December in each year. The market value of the Group's properties will be determined by CBRE in accordance with the internationally accepted RICS Valuation – Professional Standards (edition pertaining as at the relevant valuation date). For the purposes of the Issue, CBRE has produced the Valuation Report in relation to the Property Portfolio as at 30 April 2017 which is set out in Part 8 of this Prospectus.

Details of each semi-annual valuation, and of any suspension in the making of such valuations, will be announced by the Company within the context of its periodic financial reporting or otherwise via a Regulatory Information Service announcement as soon as practicable after the relevant valuation date.

## **14 CALCULATION OF NET ASSET VALUE**

The Net Asset Value (and Net Asset Value per Share) is calculated semi-annually by the Company (and reviewed by the Administrator). Calculations will be made in accordance with IFRS and EPRA's best practice recommendations. The Company intends to report its Net Asset Value according to EPRA guidelines. Details of each semi-annual valuation, and of any suspension in the making of such valuations, are announced by the Company via a Regulatory Information Service announcement, as part of its results announcement, as soon as practicable after the end of the relevant half-year. The semi-annual valuations of the Net Asset Value (and Net Asset Value per Share) are calculated on the basis of the most recent valuation of the Property Portfolio.

The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Company) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced via a Regulatory Information Service announcement as soon as practicable after any such suspension occurs.

## **15 MEETINGS, REPORTS AND ACCOUNTS**

The audited accounts of the Company are prepared in Sterling under IFRS and in accordance with EPRA's best practice recommendations. On 1 November 2016, the Company changed its financial year end from 30 June to 31 December, consequently the Company's annual report and accounts are now prepared up to 31 December each year. Copies of the report and accounts are sent to Shareholders by the end of April each year. Shareholders also receive an unaudited half-yearly report covering the six months to 30 June each year, which is dispatched within the following three months.

Following its change of financial year end, the Company has published its audited annual report and accounts for the six month period ended 31 December 2016. The Company has previously produced audited financial statements for the period from incorporation to 30 June 2015 and for the 12 month period to 30 June 2016. The financial statements for such periods have been incorporated by reference into this Prospectus.

## **16 SHARE PREMIUM AND DISCOUNT MANAGEMENT**

The Board has the discretion to seek to manage, on an on-going basis, the premium or discount at which the Shares may trade to their Net Asset Value through further issues and buy-backs, as appropriate. In addition, where the Group disposes of an investment, where the net disposal proceeds are not reinvested or committed within 12 months such proceeds will be distributed to Shareholders, subject to the Group's working capital requirements and the requirements of the Companies Act.

## **17 SHARE BUY-BACKS**

The Directors will consider repurchasing Shares in the market if they believe it to be in Shareholders' interests as a whole and as a means of correcting any imbalance between supply of, and demand for, the Shares.

At the Company's annual general meeting on 25 May 2017, a special resolution was passed granting the Directors authority to repurchase up to 10 per cent. of the Company's issued share capital. Renewal of this buy-back authority will be sought at each annual general meeting of the Company.

The Directors will have regard to the Group's REIT status when making any repurchase and will only make such repurchase through the market at prices (after allowing for costs) below the

relevant prevailing Net Asset Value per Share and otherwise in accordance with guidelines established from time to time by the Board. Purchases of Shares may be made only in accordance with the Companies Act, the Disclosure Guidance and Transparency Rules and the Listing Rules. Under the Listing Rules, the maximum price that may be paid by the Company on the repurchase of any Shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations for the Shares for the five Business Days immediately preceding the date of purchase or, if higher, that stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation (EC No 227312003). The minimum price will not be below the nominal value of one penny in respect of the Shares.

Shareholders should note that the purchase of Shares by the Company is at the absolute discretion of the Directors and is subject to the working capital requirements of the Company and the amount of cash available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

## **18 FURTHER ISSUES OF SHARES**

Subject to the provisions of the Companies Act and to any relevant authority of the Company required by the Companies Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares or sell Shares out of treasury, at such times and generally on such terms and conditions as the Board may decide, provided that, for as long as any Shares are listed on the Official List, no new Shares may be issued at a price per Share which is less than the Net Asset Value per Share at the time of such issue unless authorised by an ordinary resolution of Shareholders or such new Shares are first offered on a *pro rata* basis to Shareholders. The Company will endeavour to give priority to applications from existing Shareholders who subscribe for new Shares in a future placing or offer (if any).

Investors should note that the issuance of new Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Shares that may be issued.

## **19 TREASURY SHARES**

Any Shares repurchased pursuant to the general authority referred to above may be held in treasury. The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. These shares may be subsequently cancelled or sold for cash. This would give the Company the ability to reissue Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

The Board currently intends only to authorise the sale of Shares from treasury at prices at or above the prevailing Net Asset Value per Share (plus costs of the relevant sale). This should result in a positive overall effect for Shareholders if Shares are bought back at a discount and then sold at a price at or above the Net Asset Value per Share (plus costs of the relevant sale).

## **20 REIT STATUS AND TAXATION**

The Company, as the principal company of the Group, has given notice to HMRC (in accordance with Section 523 CTA 2010) that the Group has become a REIT with effect from 1 July 2014. As a REIT, it complies with certain on-going regulations and conditions (including minimum distribution requirements). Potential investors are referred to Part 6 of this Prospectus for details of the REIT regime and the taxation of the Group in the UK.

## **21 REGULATORY STATUS OF THE COMPANY AND THE SHARES**

The Company, as its own AIFM, has a full-scope Part 4A permission under the AIFM Regulations and is authorised and regulated by the FCA (reference number 630634).

As a REIT, the Shares are “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments.

## **22 TYPICAL INVESTORS**

An investment in the Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

## PART 2

### THE PROPERTY PORTFOLIO

As at the date of this Prospectus, the Property Portfolio comprises the following investments, being a mix of operating properties, forward funded and direct development projects.

The portfolio of operating properties is Fully Let for the 2016/2017 academic year (meaning an occupancy and/or income level of the operating portfolio of 97 per cent. or more).

The properties that will be available for letting for a particular academic year (whether they are operating or under development with an expected completion date prior to the start of the academic year) are marketed by the Company and/or its agents from the start of the relevant calendar year. The Hello Student® website, [hellostudent.co.uk](http://hellostudent.co.uk), is the principal marketing tool for the Company, listing all the available properties.

The figures contained in this Part 2 are unaudited.

**Table 1 – Operating assets (and those that had reached practical completion) as at 3 July 2017 (75 in total)**

<i>Name</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Date of Acquisition or Practical Completion</i>	<i>Purchase Price (£m)</i>	<i>Net Yield on Acquisition or Cost %</i>
Centro Court	Aberdeen	56	September 2014	6.5	6.8
St Peter Studios	Aberdeen	123	June 2016	13.7	7.0
Canal Bridge	Bath	20	November 2015	1.7	5.9
James House	Bath	169	September 2016	25.0	5.7
Piccadilly Place	Bath	47	November 2015	3.6	5.9
Radway House (formerly Oolite Road)	Bath	31	July 2016	2.6	6.7
The Exchange (formerly 1-3 James Street West)	Bath	78	December 2016	7.7	5.8
Widcombe Wharf	Bath	40	November 2015	3.9	5.5
Edge Apartments	Birmingham	77	August 2014	8.9	7.0
The Brook	Birmingham	106	July 2014	12.0	6.5
College Green <sup>(1)</sup>	Bristol	84	July 2014	10.0	6.7
William & Matthew House	Bristol	75	September 2016	7.9	6.7
Pavilion Court	Canterbury	79	August 2016	9.2	6.0
Alwyn Court	Cardiff	51	October 2014	3.5	6.4
Northgate House	Cardiff	67	February 2015	5.2	7.0
Summit House	Cardiff	87	July 2014	9.6	7.0
Windsor House	Cardiff	314	September 2016	41.0	5.6
St Margaret's Flats	Durham	109	May 2015	5.1	7.5
Buccleuch St	Edinburgh	88	June 2016	9.2	8.1
Bishop Blackall School	Exeter	113	October 2016	8.0	6.0
Dean Clarke Lofts <sup>(2)</sup>	Exeter	30	December 2014	4.5	6.6
Isca Lofts	Exeter	71	August 2016	4.7	6.9
Library Lofts	Exeter	61	September 2015	6.1	6.3
Picturehouse Apartments	Exeter	102	July 2014	11.4	6.3
Maritime Studios	Falmouth	141	August 2015	8.8	6.5
333 Bath Street	Glasgow	70	September 2015	7.4	6.5
Ballet School	Glasgow	103	March 2015	11.9	6.7
Willowbank	Glasgow	178	September 2016	13.8	7.7
Curzon Point <sup>(3)</sup>	Hatfield	116	December 2014	9.2	6.4
Kingsmill Studios	Huddersfield	98	September 2015	7.5	7.5
Oldgate House	Huddersfield	179	September 2016	11.1	8.3

<i>Name</i>	<i>Location</i>	<i>Number of Beds</i>	<i>Date of Acquisition or Practical Completion</i>	<i>Purchase Price (£m)</i>	<i>Net Yield on Acquisition or Cost %</i>
CityBlock 1	Lancaster	30	May 2015	2.1	6.1
CityBlock 2	Lancaster	77	May 2015	5.6	6.1
CityBlock 3	Lancaster	100	May 2015	7.9	6.1
Algernon Firth	Leeds	111	January 2015	7.2	6.6
Pennine House	Leeds	127	June 2016	17.8	6.6
St Mark's Court	Leeds	85	March 2015	7.1	6.0
136-138 New Walk	Leicester	30	May 2016	2.9	6.0
160 Upper New Walk	Leicester	17	May 2016	1.6	6.1
Bede Park	Leicester	59	May 2016	4.5	6.2
CityBlock 1	Leicester	98	May 2015	6.2	6.3
CityBlock 2	Leicester	76	May 2015	4.8	6.3
The Hosiery Factory	Leicester	107	October 2016	5.6	6.3
The Shoe & Boot Factory	Leicester	173	October 2016	8.9	6.3
Art School Lofts	Liverpool	64	June 2015	8.4	6.3
Chatham Lodge	Liverpool	50	June 2015	3.9	6.5
Grove Street Studios	Liverpool	28	June 2015	2.7	6.5
Hayward House	Liverpool	74	June 2015	5.4	6.3
Maple House	Liverpool	147	June 2015	12.9	6.3
The Octagon	Liverpool	19	June 2015	2.0	6.4
Francis Gardner Hall	London	70	August 2016	10.6	5.5
Grosvenor Hall	London	72	August 2016	6.2	6.3
Halsmere Studios	London	79	February 2015	13.3	6.4
Ladybarn House	Manchester	117	March 2016	10.3	6.3
Victoria Point 1, 2, 3, 4, 5 <sup>(4)</sup> and 6	Manchester	561	April 2016	29.5	5.6
Claremont House	Newcastle	88	December 2016	10.9	6.3
Metrovick House	Newcastle	63	May 2016	7.4	6.5
Talbot Point	Nottingham	77	September 2016	6.0	7.0
Talbot Studios	Nottingham	98	September 2014	8.2	6.9
Stone Mason House	Oxford	44	May 2016	4.5	5.1
Elm Grove Library	Portsmouth	19	October 2016	1.1	6.5
Kingsway House	Portsmouth	52	October 2016	3.1	6.4
The Registry	Portsmouth	41	August 2015	4.5	6.5
Saxon Court	Reading	83	March 2016	13.0	6.0
Portobello House	Sheffield	134	September 2016	11.2	7.1
Brunswick Apartments	Southampton	173	September 2015	16.7	7.2
London Road <sup>(5)</sup>	Southampton	46	November 2014	3.6	7.0
Ayton House	St Andrews	241	December 2015	26.0	5.5
Caledonia Mill	Stoke-on-Trent	120	June 2015	6.3	6.5
Foss Studios	York	220	January 2017	23.3	5.6
<b>Total/average yield</b>		<b>6,833</b>		<b>623.9</b>	<b>6.4</b>

**Notes:**

(1) 150 year lease, started in August 2010.

(2) 999 year lease, started in March 2014.

(3) 199 year lease, started in December 2014.

(4) This building (132 beds) is being significantly refurbished and, therefore, is not operational for the 2016/17 academic year.

(5) Freehold/leasehold.

**Table 2 – Forward funded and development assets as at 3 July 2017 and projects and sites acquired subject to planning (15 in total)**

<i>Name</i>	<i>Location</i>	<i>Proposed Number of Beds</i>	<i>Date of Acquisition</i>	<i>Estimated Completion Date</i>
<b>Forward funded projects</b>				
The Emporium	Birmingham	185	September 2016	September 2018
Bonhay Road	Exeter	150	September 2015	August 2017
155 George Street	Glasgow	89	November 2015	June 2017
134 New Walk	Leicester	16	November 2016	April 2017
Welsh Baptist Chapel	Manchester	87	May 2015	July 2017
The Frontage	Nottingham	162	April 2016	May 2017
Europa House	Portsmouth	242	April 2016	August 2017
Trippet Lane	Sheffield	63	April 2016	September 2017
Lawrence Street	York	115	March 2016	June 2017
Percy's Lane	York	106	January 2017	September 2018
<b>Development Project</b>				
Provincial House	Sheffield	107	December 2015	January 2018
Forthside	Stirling	204	July 2015	September 2018
<b>Total</b>		<b>1,526</b>		
<b>Projects and sites acquired subject to planning</b>				
Ocean Bowl <sup>(1)</sup>	Falmouth	249	–	September 2018
140-142 New Walk	Leicester	48	–	September 2018
Princess Road	Leicester	106	–	September 2018

**Notes:**

<sup>(1)</sup> The Group has exchanged contracts on this site, subject to planning consent being obtained. Planning consent had not been obtained as at 3 July 2017.

**Valuation of the Property Portfolio**

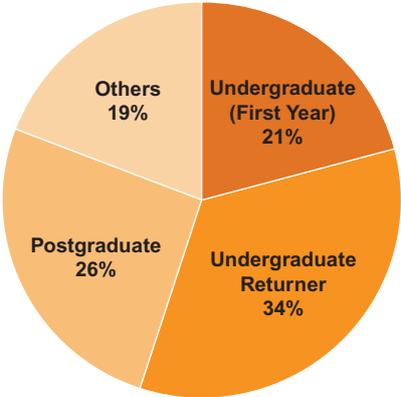
The Property Portfolio has been independently valued by CBRE in accordance with the RICS Valuation – Professional Standards (edition pertaining as at the relevant valuation date). The Valuation Report is set out in Part 8 of this Prospectus and values the Property Portfolio in aggregate at £786.7 million (including forward funded commitments) as at 30 April 2017. On a like-for-like basis, this represented an uplift of 1.23 per cent. over the operating asset portfolio value as at 31 December 2016 (excluding acquisitions over the period).

The Valuation Report sets out a description of the investments comprising the Property Portfolio and highlights material points which have been taken into account in the valuations of such properties. The Company affirms that there have been no material changes in the valuation of the investments comprising the Property Portfolio since the date of the Valuation Report and the date of this Prospectus.

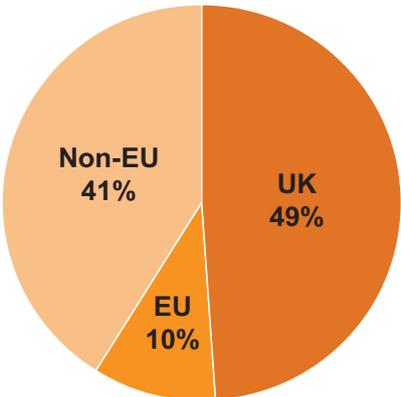
**Tenant demographics of the operational properties**

The pie charts below illustrate the diversification as between level of study and geographical origin of tenants at the Group’s operational properties.

**Customers by Level of Study as at 31 October 2016**



**Customers by Nationality as at 31 October 2016**



## PART 3

### THE UK STUDENT ACCOMMODATION MARKET

#### A changing sector

The private student accommodation sector in the UK continues to undergo structural change. Traditionally, students in the UK have been housed in university halls of residence, particularly during their first undergraduate year. These traditional halls typically provide an institutional living experience with a certain level of pastoral care. Second and third year students have historically migrated to the private rented housing market where they are confronted with the multiple challenges of setting up utilities and broadband access and establishing a group with which to share costs and live together, a set-up known as a House in Multiple Occupation (“HMO”).

Modern students have high expectations of their university and residential experience, and this increasingly drives demand for purpose-built (or converted) student accommodation. Privately owned purpose-built student accommodation (“PBSA”) is typically let directly to students rather than to the Higher Education Institution (“HEI”), though there is potential for arrangements with universities where their own accommodation supply is falling behind their growth. These arrangements can be long or short term, depending on the outlook of the university and the nature of the private providers. Purpose-built student accommodation is typically relatively high density and modern, providing students with communal space and facilities, alongside a well-appointed room with shared or private kitchen and bathroom facilities. The accommodation is typically an institutional investor led and owned development, with a professional management team and on-site support.

PBSA removes many of the challenges of the HMO sector, providing almost the simplicity of hotel style accommodation or apartment style living. The convenience of this style of living appeals to many students, with bills included, fast internet connections and usually located in areas of high amenity and close to university. Typically, this has resonated with international students less familiar with the UK (and to whom HMO housing is unknown), but increasingly second and third year UK students and postgraduates are also migrating toward PBSA.

Following the rise in tuition fees for UK/EU students, the rising student numbers, and the competitive employment market for graduates, it is the Directors’ belief that students are increasingly seeking a high quality environment in which to live and maximise their productivity, without the stresses of the traditional HMO.

Private PBSA allows owners to benefit from growing rents, as part of the annual rental reviews cycle. This ability to respond to the market has led to consistent rental growth but also to innovation in terms of amenities and price levels. Each individual student generally signs a separate lease with the provider of accommodation and hence the property will typically have a very diverse customer base.

Taken as a whole, the PBSA sector has shown consistent growth in rents suggesting a considerable supply/demand imbalance. The sector stands out when compared to other real estate sectors and general indicators of inflation.

The migration of student occupation from HMOs to PBSA provides benefits to a local community, easing pressure on private sector housing. As students pay no Council tax and may not vote within the area, they are not seen as contributors to the local environment. Local authorities are eager to maintain balanced housing communities given the UK-wide housing shortage and the requirement to house local families and employees of local businesses.

The PBSA sector as a whole has delivered the best rental growth of any UK property sector, growing significantly in excess of RPI (Source: Unipol/NUS 'Accommodation Costs Survey'; Savills, 'Spotlight UK Student Housing 2016').

**The market opportunity**

In general, the UK student accommodation sector has emerged as an asset class in its own right. Factors contributing to the continued growth of this sector include:

- A continuing structural imbalance between demand for private PBSA and supply, particularly in locations where one or more universities is growing its market share. Under recent Government policy, successful universities are able to grow faster than they have been able to in the past. With rising overall student numbers, a general migration from the HMO to the purpose-built asset type and a supply pipeline that is lagging behind demand, the Directors believe this imbalance will continue.
- A lack of quality accommodation provided by HEIs results in demand, especially by first year students, for direct let PBSA.
- In recent years the sector has represented a stable asset class in terms of net initial yield measured at acquisition (Figure 1).
- The sector has demonstrated resilience through the recent economic downturn and has proved to be less volatile compared to wider property market movements as it is less exposed to the broader economic climate. Its highly specific characteristics, linked to the long-term demand for labour market skills, have provided a level of insulation and detachment from the movement in values in other real estate assets.
- Occupancy rates have therefore remained high at all points in the economic cycle, with many facilities running at close to full occupation levels (Figure 3).
- The lower risk nature of multi-tenant student accommodation assets with rent usually paid in full for the 51 week tenancy in advance of the tenancy by unguaranteed international students or, where financial rent guarantees are given for international students and UK residents, a set of three instalments ahead of each term.
- The short-term nature of the leases (no more than one year) allows for regular rental repositioning of the leases and maintenance of the properties to support this.
- The attraction of the UK's higher education system to international students is likely to drive further demand, particularly for the most successful universities and at the higher end of the quality spectrum of the direct let PBSA sub-sector.

**Figure 1: 2017 UK student accommodation yields**

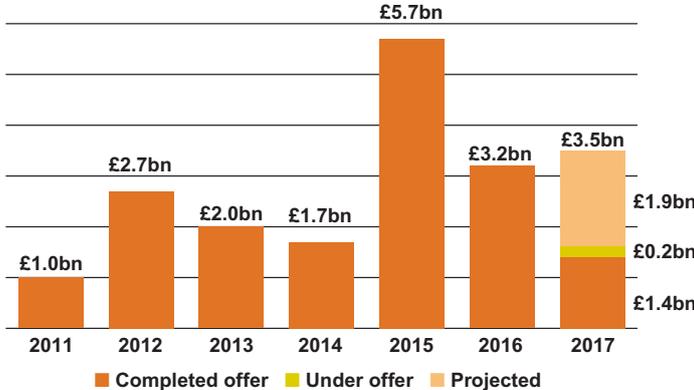
2017 UK Student Accommodation Yields				
	Lease	Nomination Agreement	Direct Let	Trend
Prime London	3.75%	4.25%	4.25%	
Super Prime Regional	4.25%	4.75%	5.20%	
Prime Regional	4.50%	5.00%	5.50%	
Secondary Regional	5.00%	5.75%	6.50%	

Source: Savills, April 2017

Student accommodation yields have remained relatively stable over recent years, with a slight compression in prime direct let stock in the last 24 months. This was due to the effects of some large portfolio transactions and pricing in London. Historically, rental growth has been matched by capital appreciation and the sector has outperformed other real estate sectors (Source: CBRE). Yields remain, in general, higher than in other sectors as student accommodation remains a specialist real estate segment with barriers to entry such as scale and access to dedicated operating platforms (Source: Savills, 'Spotlight UK Student Housing 2016').

The sector is attracting significant levels of institutional capital. The last three years has seen rapidly increasing levels of transactional activity in the UK. 2015 was a record year for student accommodation investment with approximately £5.7 billion of gross assets sold (Source: JLL, 'UK Student Housing Quarterly Bulletin 2017 Q1 Review'). The levels of institutional capital and demonstration of appetite for such transactions have resulted in a greater level of churn in assets since then, with it being suggested that 2017 will be the second largest year for investment, at £3.5bn projected for this year (Source: JLL, 'UK Student Housing Quarterly Bulletin 2017 Q1 Review').

**Figure 2: Transaction volume in the UK student accommodation market**



Source: JLL as at Q1 2017

**Figure 3: Blended Occupancy levels across the UK**

**Blended Occupancy levels across the UK**

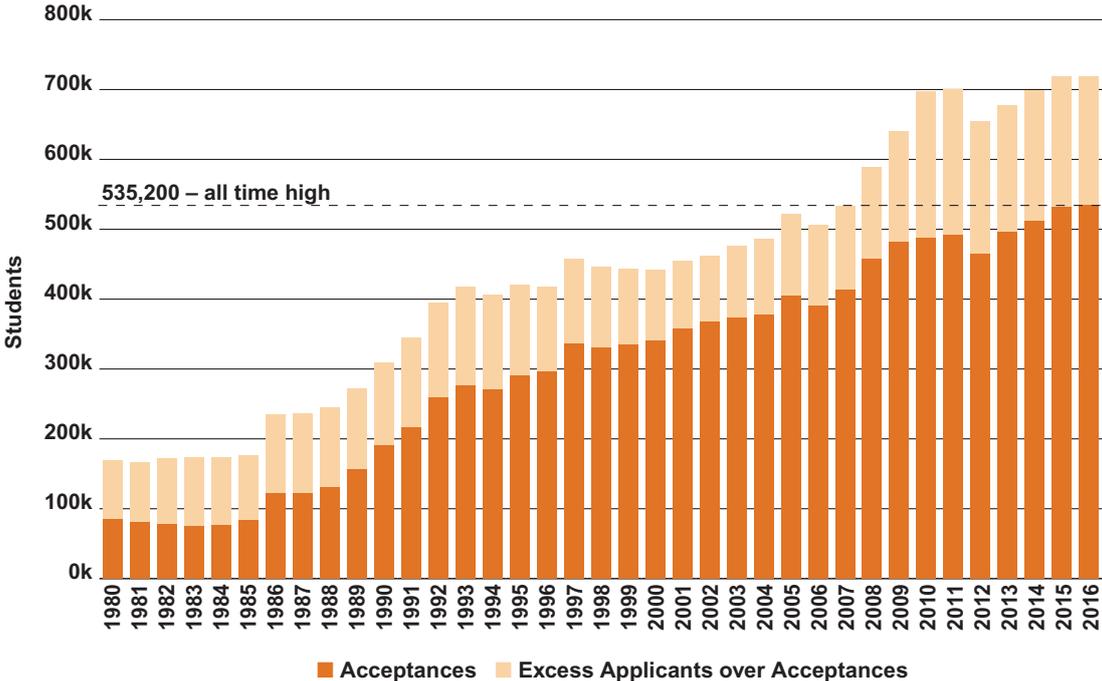
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Blended occupancy	100%	99%	96%	98%	97%	94%	98%	99%	97%	96%

(Source: CBRE, Savills)

**Demand – The student market**

In 2015/16, there were 1.74 million full-time students in the UK, of which 285,100 (16 per cent.) were international (non-EU) students and a further 112,400 (6 per cent.) from the European Union (Source: HESA). Although a peak in student applicants was experienced in 2010/11, the number of accepted applicants in 2016 reached a new record high (Figure 4). In 2016/17 UCAS placed 535,200 under-graduates into higher education, an increase of 2,910 (0.5 per cent.) over the previous year and the highest number recorded for a single year. Every year since 2008, save for 2012 (when tuition fees rose to £9,000 per annum), has seen a new higher education acceptance record being reached in the UK.

**Figure 4: Total accepted applicants for the academic year 2016/17 reached a new all-time high of 535,200 acceptances**

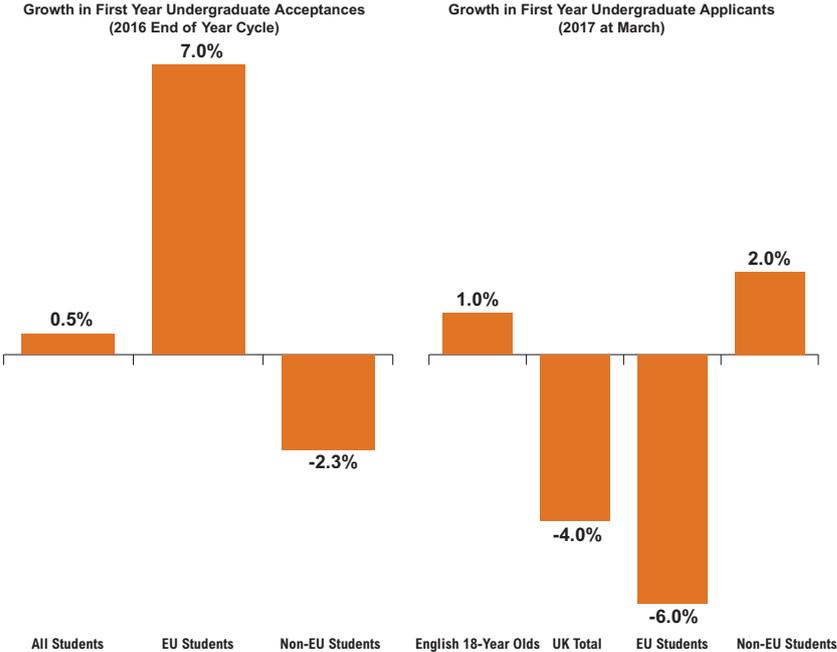


Source: UCAS End of Year Cycle 2016

**Students by domicile in the UK**

The full-time student population was made up of 1.343 million students from the UK (*Source: 2015/16 HESA*), equating to 77 per cent. of those in higher education. This is the largest number of UK students to attend university in any year, despite a current demographic dip in the number of UK 18 year olds. For the forthcoming academic year, the number of English 18 year old applicants rose by 1 per cent. This suggests that this is due to a greater level of participation in higher education and in line with data from the Department of Education indicates that participation in the 18-30 year old group has also increased significantly over time. This is positive in terms of demand for higher education, and suggests that the outlook for further increases in student numbers may occur when the demographic dip resolves by 2024.

**Figure 5: UCAS Acceptances 2016 and Applicants March 2017**



Source: UCAS

In the 2016 cycle, UK HEI acceptances from other EU countries increased 7.0 per cent. to 31,400, the highest on record (around 6 per cent. of all acceptances). Acceptances from countries outside the EU fell by 2.3 per cent. to 38,300 (around 7 per cent. of acceptances – noting that only half of non-EU students study at undergraduate level) (Source: UCAS; HESA). Indications from the 2017 cycle is that trends in applicants are reversing, with applications from non-EU students up, fuelled by favourable currency rates and political sentiment towards the US. Given that this is the larger group of non-UK students, and their larger economic impact due to payment of higher tuition fees, their contribution to the UK, and their propensity to pay for higher quality accommodation is greater.

UK higher education plays a leading role in an international student mobility context. In 2000, the UK attracted 10.8 per cent. of the global market for students studying abroad (Source: OECD). By 2012, this had grown to 13.0 per cent, returning to 10 per cent. in 2013 (Source: JLL). However, by 2013 more than double the number of students were leaving their home country to study at 4.1 million compared to 2 million in 2000 (Source: UNESCO). In 2014/15, it was estimated that international students contributed £25.8 billion to the UK economy (Source: Universities UK/Oxford Economics). As the Government’s international education strategy acknowledges, international students enhance the UK’s cultural life and broaden the educational experience of the students they study alongside.

The numbers of international students generally continue to increase in the higher ranked universities and decrease in the lower ranks. This is indicative of an increasing demand for high quality education and labour market outcomes across the board, as well as the propensity of non-EU students to take up postgraduate study, attracting them to research intensive universities. These higher ranked universities form the core of the Group’s operations and target market.

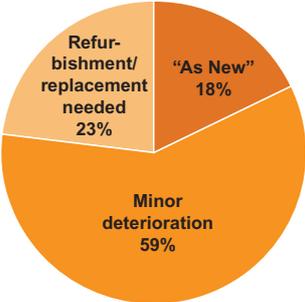
**Supply – Undersupply of purpose-built accommodation**

The supply of suitable student accommodation has failed to keep pace with demand. Universities are exposed to greater competitive forces and in general prioritise academic expenditure over residential, acknowledging that private PBSA has evolved which is supportive of their needs for additional accommodation as they grow. This has pushed students increasingly toward the private

sector, where students recognise the value of high quality PBSA whilst at the same time local authorities are restricting the supply of HMOs in most major university locations.

The quality of university owned accommodation is generally considered to be fairly basic. HESA recorded that in 2009/2010, of the 325,000 university owned beds only 18 per cent. were classified “as new” with 23 per cent. needing major repair or replacement to continue operating (Figure 6). The estimated cost of renovating this stock (the 23 per cent. of beds) is estimated at £790 million (Source: HESA).

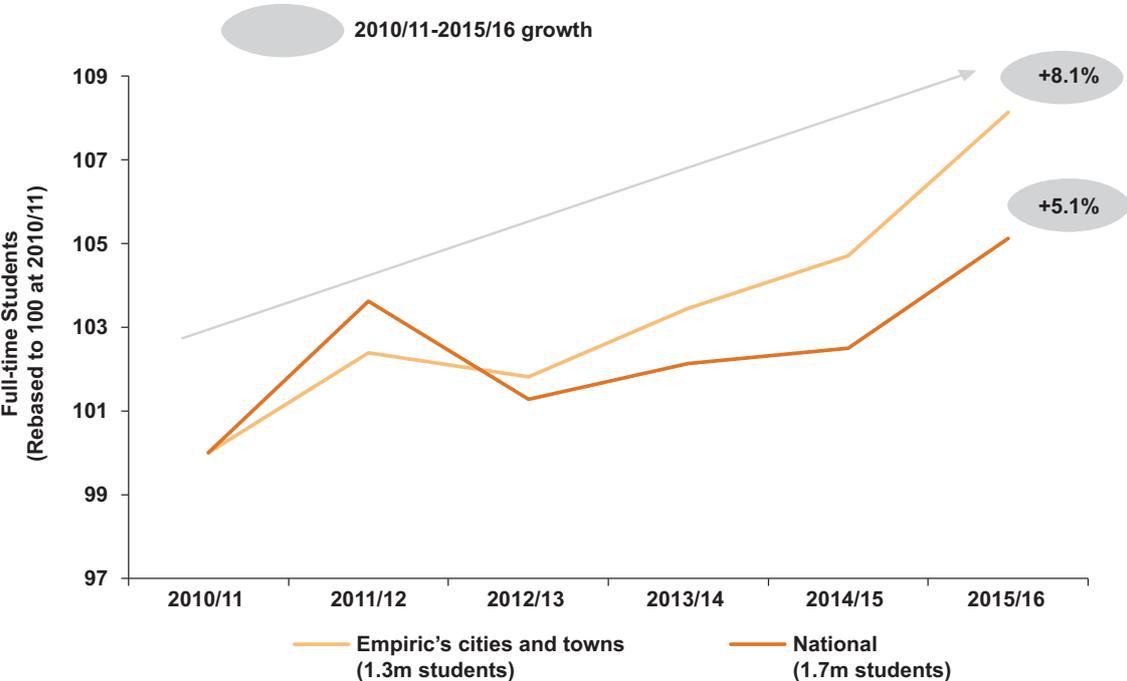
**Figure 6: University owned accommodation quality**



Source: HESA

Within the 36 top tier university towns and cities targeted by the Group, there are currently approximately 471,000 purpose-built bed spaces, compared to 1.3 million full-time students. This includes all halls of residence and other purpose-built student accommodation assets. The Group’s target cities are growing faster than the market in general.

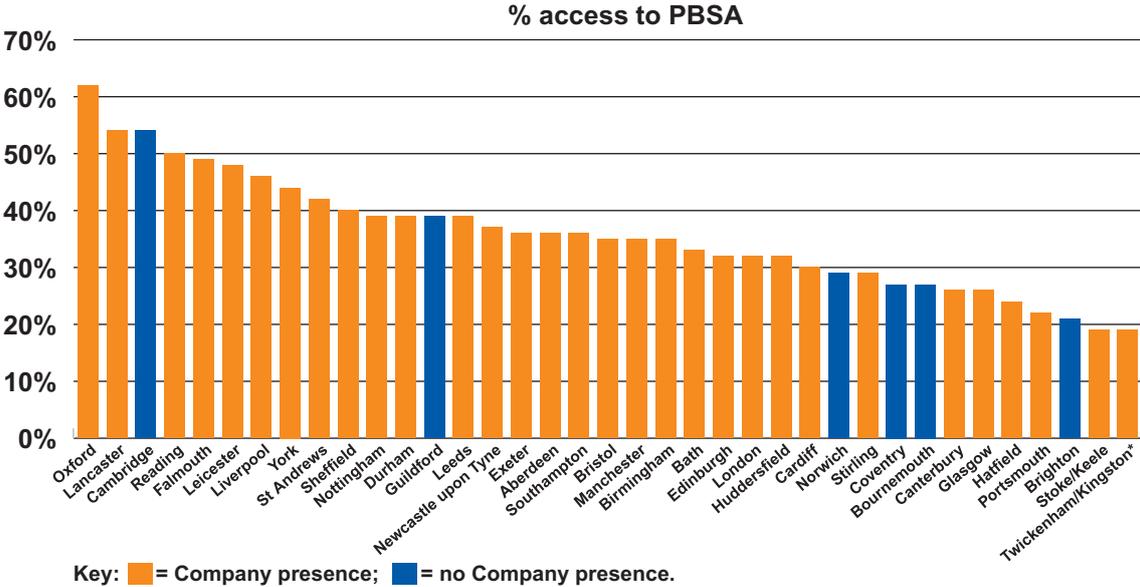
**Figure 7: Performance of the Group’s target locations compared to the UK**



Source: HESA, adapted by the Group

In some university towns and cities, this level of PBSA even falls short of the total number of first year students, and many universities are unable to offer a meaningful first year undergraduate accommodation guarantee. Many do not guarantee rooms to postgraduate students, even though this cohort is strategically important to the research-intensive institutions.

**Figure 8: Average proportion of first year student population with access to purpose-built accommodation**



Source: HESA 2015/16, Cushman & Wakefield Student Accommodation Tracker, adapted by the Group

\*Considered to be London for the purposes of the “30 prime student cities and towns across the UK” statistic.

**Government Policy**

Outlined below are some of the key Government policies that have had, and are likely to continue to have, a significant effect on the student accommodation market in the UK.

- Removal of student number control in 2015/16 – The removal of the quota on recruitment of home/EU students by each university was estimated by the Government to result in an increase of up to 12 per cent. It has also resulted in the best universities benefitting from their reputation and being able to grow more quickly in size.
- Higher Education and Research Bill – is the policy that Government has signed off to guide universities in the coming years. Its main premise is to encourage competition between institutions, facilitating new private entrants and allowing the strongest providers to increase fees each year. The policy introduces the Teaching Excellence Framework to recognise institutions which are best in class at teaching as well as those which are also excellent in their research outputs.
- Tuition fees – in 2012/13, student numbers were impacted by the introduction of higher tuition fees (from £3,000 up to £9,000 at universities across the UK). While it was predicted that the increase in tuition fees would have a significant impact on student numbers, this was short lived and in 2015/16 there were more full time students in higher education in the UK than ever before. The number of 18 year olds in the system has increased due to increasing participation, despite the demographic dip in this age range. This is not to say that demand for higher education will continue to expand at the same rate, but that it will be encumbent on universities to demonstrate employability outcomes at a time when policy allows inflation of tuition fees, and above RPI increases on Student Loan Company Loans.
- Restrictions on HMOs – local authorities in the majority of the large university towns and cities have implemented the Article 4 Direction to prevent more houses from converting into student HMOs. Along with more stringent licensing for landlords, this is both

constraining the supply of HMOs and professionalising their management. Both of these effects lead to increased rents in HMOs over time, and increases demand for alternative student housing, such as PBSA.

- The Government values the contribution that international students make to higher education, research, and the UK, both economically and culturally. It has signalled that there are no plans to introduce a cap on the number of international students who can come to study in the UK, or to limit the numbers that individual higher education institutions can recruit (though visa conditions continue to apply and the migration status of international students is to be reviewed as part of the Immigration Bill in 2017). The reforms the Government is introducing through the Higher Education and Research Bill recognise the importance of the sector to the economy and will help to ensure that it continues to be one of the most sought after places for global talent to study.

### **Historical Performance and Current Pricing**

The PBSA sector has delivered steady and rising rental income above inflation rates. The sector has demonstrated superior performance compared to all other real estate sectors – in the period from 1995 to 2017, rental values have more than tripled, showing almost twice as much growth as that from other real estate sectors.

### **Trends**

The student accommodation sector has shown a relatively stable yield profile (Figure 1). Following yield compression in the early to mid-2000s, average yields hit 5.75 per cent. in 2007, rose to 6.4 per cent. in 2009 and are currently trading at net initial yields of approximately 5.5 per cent. in prime regional areas, and at sub 4.25 per cent. in London. As rental values continue to grow, and yield remains relatively constant, asset price inflation is the result. Given the structural imbalance in the sector and the challenges to large scale development in the UK, the Executive Directors believe that the returns in the sector should remain attractive for the medium to longer term.

## PART 4

### DIRECTORS AND ADMINISTRATION

#### 1 DIRECTORS

As an internally managed investment company, the Executive Directors are principally responsible for the management of the Company's investment activities on a day-to-day basis. The principal responsibility of the Board is to promote the long term success of the Company by creating and delivering sustainable shareholder value. The Board leads and provides direction for the Executive Directors by setting the investment objective and investment policy and overseeing its implementation by the Executive Directors.

The Board is responsible for ensuring that an effective system of internal control is maintained and that management maintains an effective risk management and oversight process across the Group, so that growth is delivered in a controlled and sustainable way.

The majority of the Board (including the Chairman) are independent of the Executive Directors and they are responsible for the oversight of the activities and performance of the Executive Directors.

The Directors are as follows:

#### **Brenda Dean (The Rt Hon Baroness Dean of Thornton-le-Fylde) (Chairman) (aged 74)**

Baroness Dean is currently a member of the Ventures Board, nominations committee and remuneration committee of Places for People, and was for nine years (2004–2013) a non-executive director at Taylor Wimpey acting as a member of the remuneration, audit and nomination committees at various times. Baroness Dean was also the chairman of the Covent Garden Market Authority (2005–2013), and as chairman led the work to secure the redevelopment of the 57 acre site. Baroness Dean is a member of the Business Oversight Board and also chairman of the remuneration committee of The Law Society. Amongst many other activities, Baroness Dean was chairman of the Housing Corporation (now the Homes and Communities Agency), which managed private and public funding in excess of £50 billion in the sector. She was also chairman of the Armed Forces Pay Review Body and chairman of Residential Secure Income PLC. Baroness Dean was a non-executive director of the National Air Traffic Services (NATS), and was a member of the remuneration committee and chairman of the employee share trust. Baroness Dean is a member of the Council for Nottingham University (a member of the Russell Group), and holds honorary degrees from ten different universities in the UK. She was a member of the National Committee of Inquiry into the Future of Higher Education – the Dearing Committee, has been a Council member of City University, London, the Open University and the London School of Economics. Baroness Dean was created a Life Peer in 1993 and a member of the Privy Council in 1998.

#### **Paul Hadaway RIBA (Chief Executive Officer) (aged 57)**

An architect by training, Paul worked in Hong Kong on the development of the North Island Line of its metro railway system, the MTR. He returned to London in 1986, and worked for Chicago based Skidmore Owings and Merrill, where his clients included Natwest and Hyatt Hotels. Paul also worked as a partner in an architectural practice, The Design Solution, from 1991 with clients including BAA, Westfield, Compass Group and Debenhams. Paul has worked as a property investor since his first purchase, an office building in Lambeth, in 1997. He began working with Tim Attlee in 1999. Their property developments since then have included student, up-market residential, medical and educational turn-key buildings and commercial offices. Along with Tim Attlee, Paul has been jointly responsible for acquisition, development and management of LCPP's student portfolio since inception in 2009.

**Timothy Attlee MRICS** (*Chief Investment Officer*) (aged 56)

After obtaining a degree at King's College, London and post graduate study at the University of Reading, Tim ran an office in Botswana for Knight Frank undertaking all aspects of real estate general practice, but with particular emphasis on institutional investment and development. Since 1988, Tim has worked as a principal in property development and investment businesses, working on a wide range of projects in Botswana and South Africa, many of which were undertaken on behalf of institutional clients. After returning to the UK in 1998, Tim worked on projects across the UK, before establishing a working partnership with Paul Hadaway, his partner in LCPP, in 1999. In 2009, LCPP first targeted the UK student residential market and Tim was jointly responsible for the acquisition, development and management activities of LCPP's student portfolio.

**Lynne Fennah FCA** (*Chief Financial Officer*) (aged 53)

After obtaining a degree in finance at Liverpool John Moores University, Lynne joined Moore Stephens and qualified as a Chartered Accountant. At Moore Stephens, Lynne covered all aspects of general practice with a particular focus on audit. Lynne then joined American Express and during her tenure held positions in corporate audit and travel business reporting, both roles covering the EMEA region, and a globally focused process re-engineering project role. Lynne then joined The Goodwood Estate being promoted to Finance and IT Director in 2005, a board position with responsibility for the finances of all group companies across a portfolio of primarily hospitality focused operations. Lynne became European CFO for the Toga Group in 2008, with responsibility for the development of hotels and management of commercial property investments. In 2012, Lynne joined Palmer Capital, an FCA authorised real estate investment management company, as CFO with responsibility for overseeing the company's financial and taxation matters.

**Stephen Alston** (*Non-Executive Director*) (aged 55)

Stephen is a partner of Real Estate Venture Capital Management LLP with responsibility for asset management across its UK investment portfolio and the raising of debt funding requirements for both investment and development projects. Stephen is also a member of the Revcap investment committee. Stephen has 26 years' experience of structuring investment, development and planning deals as a lender and financial equity partner for both commercial and residential projects across market cycles. Stephen was previously Deputy CEO (Commercial Banking & Treasury) at Ahli United Bank (UK) PLC. As an employee of Real Estate Venture Capital Management LLP, Stephen is not considered to be fully independent for the purposes of the UK Corporate Governance Code.

**Jim Prower FCA** (*Non-Executive Director*) (aged 62)

Jim has worked in industry and commerce since 1985, having qualified at Peat, Marwick, Mitchell & Co in 1979. He performed the roles of Finance Director and Company Secretary at Minty plc (1987-1989), Creston Land & Estates plc (1989-1995) and NOBO Group plc (1995-1997), before joining Argent Group plc in the same roles. Since 2009, he has been closely involved with the development of King's Cross Central (a joint venture between London & Continental Railways, Australian Super, Hermes Investment Management, DHL Supply Chain and Argent King's Cross Limited Partnership), for which he has been primarily responsible for raising debt for working capital, development and investment. In December 2012, together with other senior Argent personnel, Jim became a member of Argent (Property Development) Services LLP and Argent Investments LLP, which acquired Argent's property investment, development and management. Jim retired from Argent (Property Development) Services LLP on 31 December 2015. In addition to being a non-executive director of the Company he acts as a non-executive director of Tritax Big Box REIT plc (where he chairs the audit committee) and AEW UK Long Lease REIT plc (where he chairs the audit committee).

**Stuart Beevor** (*Non-Executive Director*) (aged 60)

Stuart is a chartered surveyor with 35 years of real estate experience, including student accommodation, having been a non-executive director on the board of The Unite Group plc for nine years from 2004. Stuart is currently a non-executive director of ICG-Longbow Senior Secured UK Property Debt Investments Limited, board member and Senior Independent Director of Metropolitan Housing Trust Ltd, Chairman of the Investment Advisory Board for the Diversified Property Fund for Charities, a member of two segregated pension fund investment committees managed by DTZ Investors and a member of the Greenwich Hospital Advisory Board. Previously, Stuart was Managing Director of Grosvenor Fund Management, an international real estate fund management business. Prior to that, he was Managing Director at Legal and General Property Limited, having started his career at Norwich Union (now Aviva).

## **2 OTHER KEY EMPLOYEES AND CONSULTANTS**

The Company also has engaged the services of the following key employees and consultants:

**Clint Bartman** – *Operations Director*

Clint joined the Company as operations director in February 2015. From 2001 to 2012, Clint worked as Senior Director of Real Estate for the Pi Kappa Alpha Fraternity operating a portfolio of 183 student properties across the United States and Canada. In 2013, Clint joined the London student accommodation operator Nido managing its flagship building, Spitalfields Tower, and led the group to win the UK Student Operator of the Year RESI Award in 2014. Clint has a Bachelor of Science degree from Illinois State University and a Master of Business Administration from Roosevelt University.

**Charles Taylor MRICS** – *Consultant (Acquisitions Manager)*

After obtaining a geography degree at the University of Nottingham and a post-graduate diploma in Surveying at the University of Reading, Charles was elected a professional member of the Royal Institution of Chartered Surveyors in 2006. From 2003 to 2009, Charles worked in the Student Property team at Knight Frank in Birmingham, becoming an Associate in 2008. In 2009, Charles joined specialist student accommodation providers The Mansion Group, as an acquisitions surveyor, becoming head of department in 2013. Charles started working with the Company as a consultant in September 2014.

**Andrew Leo MRICS** – *Development Manager*

Andrew is a chartered quantity surveyor, having gained membership to the Royal Institution of Chartered Surveyors in 2009. Andrew joined the construction industry in 1996 and has gained experience on a wide range of construction projects providing quantity surveying services to sub-contractors, main contractors and professional construction consultants. Prior to joining the Company, Andrew specialised in providing technical due diligence services on construction projects to a range of funding institutions, with a focus on project management, project monitoring and risk management from inception to completion.

**Martyn Roe MRICS** – *Consultant (Acquisitions Surveyor)*

Martyn obtained a degree in Land Management and a Masters in Business Administration from the University of Reading and was elected a professional member of the Royal Institution of Chartered Surveyors in 1989. Between 1985 and 1993, Martyn worked for both Debenham Tewson & Chinnocks and Hillier Parker in Los Angeles and London. Since 1994, he has been based in Scotland and has headed up the Scottish development businesses of a number of large property companies (London & Regional Properties, The Unite Group plc and Kenmore Property Group).

Since leaving Kenmore in 2008, Martyn has run his own student accommodation advisory business.

**Tim Stephen** – *Asset Management Director*

Tim joined the Company as asset management director in March 2016 from Bilfinger GVA where he worked as a director of asset management and head of student housing operations. Tim established GVA's student housing management offering, winning contracts over a portfolio of 3,500 beds. Tim's early career was spent with a privately owned property company where he was part of a small team responsible for the active asset management of a portfolio of £75 million of property assets.

**Sarah Jones** – *Director of Research and Development*

Sarah joined the Company in January 2017. In her previous role at Cushman & Wakefield (formerly DTZ), Sarah created and led the national practice group for student residential consultancy for 12 years. She developed relationships with a large number of universities, built the most comprehensive data resource in the sector and provided due diligence on some of the largest deals such as the sale of Liberty Living to CPPIB, and UPP's £5bn bond programme. Prior to this, Sarah spent two years at the British Council, researching international student mobility and evaluating the Prime Minister's Initiative to attract students to the UK. Sarah has a degree in Economics from the University of Birmingham and a qualification from the Chartered Institute of Marketing.

**Edwina Davis CA CTA** – *Head of Tax and Head of Compliance*

Edwina joined the Company as head of tax and head of compliance in September 2016. Prior to this she spent 14 years with Ernst & Young LLP, where she gained experience in a number of areas of taxation, specialising in real estate tax from 2011. Edwina gained a Masters degree from Oxford University before joining Ernst & Young LLP as a graduate. She is a qualified chartered accountant and chartered tax adviser who has worked closely with a range of listed and unlisted property rental businesses, funds and REITs.

**Natasha Hanley** – *Head of Marketing*

Natasha joined Empiric in January 2016. Prior to this Natasha developed and delivered marketing communications strategies to support residential sales and commercial hotel and retail leasing opportunities at Battersea Power Station. In 2013, Natasha joined the PRS operator Get Living London, at the site of the former London 2012 Athletes' Village – East Village, successfully delivering the Get Living London brand to market and creating high impact destination marketing for East Village. Natasha's early career was spent in the travel industry devising and implementing fully integrated marketing strategies to drive occupancy and increase awareness for a range of luxury and mid-scale hotel and travel brands; Orient –Express Trains & Cruises, Intercontinental Hotels, Wyndham Hotels and Park Plaza Hotels.

### **3 INVESTMENT PROCESS**

#### **3.1 Investment origination**

The Executive Directors have established a network of contacts in the UK student accommodation sector from which potential investment flows are sourced. This network includes owner/operators, investment funds, developers, property agents and other proprietary real estate contacts.

The Company focuses on acquiring (or developing) assets in towns and cities with high-quality HEIs, an attractive imbalance of supply and demand in existing student

accommodation and a student profile (typically with numerous overseas and graduate students) that supports the strategy of targeting higher rental rates.

As referred to in the investment policy, the Company generally targets prime central locations in order to increase the alternative use value of the properties and to limit the risk of obsolescence.

### 3.2 ***Due diligence***

Following initial screening, short listed investment opportunities and projects are subjected to detailed financial, legal and technical due diligence by the Company. Following the successful conclusion of this due diligence process, a formal investment proposal and business plan for the investment is prepared.

### 3.3 ***Approval and execution***

All investments are approved by the Board.

## **4 EXECUTIVE DIRECTORS' INCENTIVE ARRANGEMENTS**

In addition to the salaries payable to the Executive Directors pursuant to their service agreements and any bonuses awarded by the Remuneration Committee under the Company's annual bonus scheme, the Company also operates the Value Delivery Plan which provides a more long-term incentive plan for the Group's employees based on the Company reaching a threshold target of 8 per cent. per annum of Shareholder value (measured as growth in Net Asset Value plus compound dividends paid) over two four year performance periods.

The Board currently intends to operate the Value Delivery Plan twice, such that two Awards will be granted in respect of each four-year end to end "performance period"; the first running from 1 January 2017 to 31 December 2020 and the second from 1 January 2021 to 31 December 2024. Each Award may only be granted during a grant period.

Currently the only participants in the Value Delivery Plan are Paul Hadaway and Timothy Attlee.

The Company also operates a long term incentive plan (the "LTIP") under which the Executive Directors (and any other employees of the Group) are incentivised by the grant of options over Shares. Any Executive Director who participates in the Value Delivery Plan will not be granted further awards in the existing LTIP, save for deferred share awards issued pursuant to the Company's annual bonus scheme for Executive Directors.

Further details of the Value Delivery Plan are set out in paragraph 6.1 of Part 9 of this Prospectus. Further details of the LTIP and the share awards previously granted to the current Executive Directors and former directors are set out in paragraphs 6.2 and 4.4 of Part 9 of this Prospectus.

## **5 OTHER ARRANGEMENTS**

### 5.1 ***Administrator and company secretary***

FIM Capital Limited has been appointed as administrator and company secretary to the Company and its subsidiaries. The Administrator will provide company secretarial functions required by the Companies Act. The Company's statutory records will be maintained at the Company's registered office. In addition, the Administrator will provide certain agreed administration functions to the Company. Under the terms of the Administration and Company Secretarial Agreement, the Administrator is entitled to an administration fee of £30,000 per annum (exclusive of VAT). This fee is subject to review

annually. The Administration and Company Secretarial Agreement is terminable upon six months' written notice.

## 5.2 **Depositary**

Kingfisher Property Partnerships Limited has been appointed as depositary to the Company. The Depositary acts as the sole depositary of the Company and is, amongst other things, responsible for: 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 (as its own AIFM). Under the terms of the Depositary Agreement, the Depositary is entitled to a depositary fee based on the value of the Company's assets under management subject to a minimum fee of £20,000 per annum and a maximum fee of £40,000 per annum (excluding VAT).

## 5.3 **Registrar**

The Company utilises the services of Computershare Investor Services PLC as registrar in relation to the transfer and settlement of Shares. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.20 per Shareholder account per annum, subject to a minimum fee of £3,000. The Registrar is also entitled to activity fees under the Registrar Agreement. The Registrar Agreement may be terminated on six months' notice, such notice not to expire prior to 30 June 2016.

## 5.4 **Auditor**

BDO LLP provides audit services to the Company. The annual report and accounts will be prepared according to the accounting standards laid out under IFRS and in accordance with EPRA's best practice recommendations.

# 6 **FEES AND EXPENSES**

## 6.1 **Issue expenses**

The issue expenses of the Company are those that arise from or are incidental to the Issue and Admission. These expenses include commissions payable under the Placing Agreement, Receiving Agent's fees, listing and admission fees, printing, legal and accounting fees and any other applicable expenses.

On the assumption that Gross Proceeds of £150 million are raised pursuant to the Issue, the expenses payable by the Company will not exceed £3.1 million (equivalent to approximately 2.1 per cent. of Gross Proceeds), resulting in Net Proceeds of approximately £146.9 million.

## 6.2 **On-going annual expenses**

The on-going annual expenses of the Company will be borne by the Company including salaries bonuses and fees paid to the Directors and service providers as detailed in this Part 4, travel, accommodation, printing, audit, finance costs, due diligence and legal fees. All reasonable out-of-pocket expenses of the facilities and lettings managers engaged by the Group, the Administrator, the Registrar and the Directors relating to the Company will also be borne by the Company. The on-going annual expenses for the Company, comprising administrative expenses, for the six month period to 31 December 2016 were £5.3 million compared to a Net Asset Value of £530.9 million. While these expenses included a number of one-off costs relating to, *inter alia*, the mobilisation of new assets and the transfer of assets to the Hello Student® operating platform, the administrative expenses of the Group are predominantly fixed costs and, therefore, the expenses for the year to

31 December 2017 would not be expected to increase substantially with an increase of, for example, £100 million in the Net Asset Value of the Group.

## **7 CONFLICTS OF INTEREST**

Stephen Alston, an employee of Real Estate Venture Capital Management LLP (an affiliate of Revcap), is a Non-Executive Director of the Company.

The Company is a party to the Revcap Development Framework Agreement under which Revcap and the Company have agreed to cooperate through a joint venture to acquire, secure planning, develop and retain as investments suitable properties and sites that can be developed/converted into prime student residential accommodation.

As an interested person, Stephen Alston will not participate in discussions or decisions of the Board, which relate to investment decisions relating to joint venture projects under the Revcap Development Framework Agreement.

## **8 THE TAKEOVER CODE**

The Takeover Code applies to the Company.

## **9 CORPORATE GOVERNANCE**

The Board supports high standards of corporate governance and the development of corporate governance policies and procedures in compliance with the requirements of the AIC Code and the relevant provisions of the UK Corporate Governance Code.

The Company is a member of the AIC and complies with the principles of good governance contained in the AIC Code (which complements the UK Corporate Governance Code and provides a framework of best practice for listed investment companies) with reference to the AIC Guide. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Company will seek to comply with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code and will disclose any areas of non-compliance in its annual report and accounts.

Furthermore, the Company is a member of EPRA, the real estate body responsible for formulating best practice for the European real estate sector in reporting and accounting.

### **9.1 *The Board and Board Committees***

The Chairman is Baroness Dean.

With the exception of Stephen Alston (who is an employee of Real Estate Venture Capital Management LLP) the Board considers each of the Non-Executive Directors (including the Chairman) to be independent for the purposes of the UK Corporate Governance Code. Jim Prower is the Company's Senior Independent Director.

The full Board will meet at least six times a year to consider general matters affecting the Company and otherwise as required. Committee meetings comprising any two or more Directors will meet on an ad hoc basis to consider transactional and related matters concerning the Company's business.

The Board has established Audit, Remuneration and Nominations Committees. These Committees undertake specific activities through delegated authority from the Board.

Terms of reference for each Committee have been adopted and will be reviewed on a regular basis by the Board.

## 9.2 **Audit Committee**

The Audit Committee comprises Stephen Alston, Stuart Beevor and Jim Prower (who is Chairman and is considered to have recent and relevant financial experience). The Audit Committee meets at least twice a year. There are likely to be a number of regular attendees at meetings of the Audit Committee, including other members of the Board and the Group's external auditors. The Chairman of the Audit Committee will also meet with external auditors without the Executive Directors present.

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and monitored. The Audit Committee reviews the annual and interim accounts, the accounting policies of the Group and key areas of accounting judgment, management information statements, financial announcements, internal control systems, risk management and the continuing appointment of auditors. It also monitors the whistle blowing policy and procedures over fraud and bribery.

Due to its size, structure and the nature of its activities, the Group does not have an internal audit function. The Audit Committee will continue to keep this matter under review.

## 9.3 **Nominations Committee**

The Nominations Committee comprises Stephen Alston, Paul Hadaway and Baroness Dean, who is Chairman. The Nominations Committee undertakes an annual review of any succession planning and ensures that the membership and composition of the Board and its Committees are constituted appropriately in light of the requirements of the Group and those of the UK Corporate Governance Code, with the necessary balance of skills and expertise to undertake their roles effectively.

## 9.4 **Remuneration Committee**

The Remuneration Committee comprises Jim Prower, Baroness Dean and Stuart Beevor, who is Chairman. The Remuneration Committee meets at least once a year, *inter alia*, to:

- determine and agree with the Board the broad policy for the remuneration of the Executive Directors;
- consider the achievement of the performance conditions under the annual and long-term incentive/bonus arrangements; and
- consider any major changes in employee benefit structures when determining executive remuneration.

The Remuneration Committee has delegated authority to set individual remuneration arrangements for the Executive Directors. In determining remuneration for the Executive Directors, the Committee reviews and agrees: (i) overall market positioning of the remuneration package; (ii) individual base salaries and increases; and (iii) the annual and long-term incentive/bonus arrangements, and sets the relevant targets for performance related schemes. In determining remuneration policy and packages, the Committee has regard to the UK Corporate Governance Code, the Listing Rules and all other relevant codes, laws and regulations.

The Committee also considers and recommends to the Board the content of the Directors' Remuneration Report which will have regard to, and reflect, all relevant legislation.

The fees and other payment arrangements for Non-Executive Directors are matters for consideration by a sub-committee of the Board, consisting of the Chairman and one or more Executive Directors, which makes recommendations to the Board as a whole.

#### 9.5 ***Directors' share dealings***

The Directors will comply with the share dealing code adopted by the Company following implementation of the Market Abuse Regulation (EU no 596/2014) on 3 July 2016 in relation to their dealings in Shares. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

## PART 5

### THE ISSUE

#### 1 INTRODUCTION

The Company is targeting a capital raising of up to £150 million by way of an issue of Shares at the Issue Price of 109 pence per Share. The Issue is being implemented by way of the Open Offer, the Placing and the Offer for Subscription.

If the Issue meets its maximum issue size of £150 million, it is expected that the Company will receive approximately £146.9 million from the Issue, net of fees and expenses associated with the Issue, which will not exceed £3.1 million, being approximately 2.1 per cent. of the Gross Proceeds.

The Directors recognise the importance of pre-emption rights to Shareholders. Accordingly, a substantial proportion of the Shares available under the Issue are being initially offered to Qualifying Shareholders by way of the Open Offer pursuant to which they will be entitled to apply for 1 Share for every 7 Existing Shares. Qualifying Shareholders may also apply under the Excess Application Facility for additional Shares in excess of their Basic Entitlement. The Excess Application Facility will comprise whole numbers of Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlements, together with fractional entitlements under the Open Offer. In addition, to the extent that any Shares available under the Placing and Offer for Subscription are not fully subscribed, then such Shares will be available to satisfy Excess Applications under the Excess Application Facility, if required.

In addition, a minimum of approximately 66 million Shares have been reserved for the Placing and the Offer for Subscription. This will increase to the extent that Qualifying Shareholders do not take up their Basic Entitlements under the Open Offer (or apply for such excess Shares through the Excess Application Facility).

The Placing and Offer for Subscription are subject to scaling back at the discretion of the Directors. The Open Offer is not subject to scaling back in favour of the Placing or the Offer for Subscription.

The new Shares to be issued pursuant to the Issue will rank *pari passu* in all respects with the existing Shares and each other. For the avoidance of doubt, Shares subscribed pursuant to the Issue will not rank for the interim dividend declared on the date of this Prospectus of 1.525 pence per Share for the quarter ended 30 June 2017.

The Company, the Executive Directors, Jefferies and Akur have entered into the Placing Agreement, pursuant to which Jefferies has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Shares to be made available in the Placing. Jefferies has also agreed that if and to the extent that the Gross Proceeds would otherwise be less than £35 million, it will, as principal, subscribe for such number of Shares at the Issue Price as would result in the Gross Proceeds equalling £35 million, on and subject to the terms and conditions set out in the Placing Agreement. Save for this commitment by Jefferies, the Issue is not being underwritten.

#### 2 THE PLACING

The terms and conditions which apply to any subscriber for Shares pursuant to the Placing are set out in Part 11 of this Prospectus.

It is expected that Admission will become effective and that unconditional dealings in the Shares issued pursuant to the Placing will commence at 8.00 a.m. on 24 July 2017. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. The Issue Price is 109 pence per Share.

Applications for Shares under the Placing must be for a minimum subscription amount of £50,000 (or such lesser amount as may be accepted by the Directors). There is no maximum subscription.

### **3 THE OPEN OFFER**

Under the Open Offer up to 71,611,295 Shares will be made available to Qualifying Shareholders at the Issue Price *pro rata* to their holdings of Shares, on the terms and subject to the conditions of the Open Offer on the basis of:

#### **1 Share for every 7 Existing Shares**

held and registered in their name at the Record Date.

**Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Open Offer Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and enabled for settlement, the Basic Entitlements and Excess CREST Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights, and will not receive any benefit, under the Open Offer.**

Qualifying Shareholders may also subscribe for Shares in excess of their Basic Entitlement through the Excess Application Facility and/or the Placing and/or Offer for Subscription, as appropriate.

Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of new Shares and will be disregarded in calculating Basic Entitlements. All fractional entitlements will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility described below.

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 19 July 2017. Valid applications under the Open Offer will be satisfied in full up to an applicant's Basic Entitlement.

The terms and conditions of application under the Open Offer are set out in Part 12 of this Prospectus and, in the case of Qualifying Non-CREST Shareholders, the Open Offer Application Form. These terms and conditions should be read carefully before an application is made. Shareholders who are in any doubt about the Open Offer arrangements should consult their independent financial adviser.

Applications under the Open Offer are not subject to any minimum subscription requirement.

#### **3.1 *The Excess Application Facility***

Qualifying Shareholders who take up all of their Basic Entitlements may also apply under the Excess Application Facility for additional Shares in excess of their Basic Entitlements.

The Excess Application Facility will comprise whole numbers of Shares under the Open Offer which are not being taken up by Qualifying Shareholders pursuant to their Basic Entitlements (including any aggregated fractional entitlements) in addition to any Shares not subscribed under the Placing and the Offer for Subscription, if any.

Qualifying Non-CREST Shareholders who wish to subscribe for more than their Basic Entitlement should complete the relevant sections on the Open Offer Application Form.

Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2(c) of Part 12 of this Prospectus for information on how to apply for additional Shares under the Excess Application Facility.

Applications under the Excess Application Facility will be allocated, in the event of over-subscription, *pro rata* to Qualifying Shareholders' applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

To the extent any Shares remain unallocated pursuant to the Open Offer (including under the Excess Application Facility), they will be made available under the Placing and Offer for Subscription.

### **3.2 Action to be taken under the Open Offer**

#### *Qualifying Non-CREST Shareholders*

Qualifying Non-CREST Shareholders have been sent an Open Offer Application Form giving details of their Basic Entitlement.

Persons that have sold or otherwise transferred all of their Shares should forward this Prospectus, together with any Open Offer Application Form, if and when received, at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that, such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations including, but not limited to, the Excluded Territories.

Any Shareholder that has sold or otherwise transferred only some of their Shares held in certificated form on or before 8.00 a.m. on 4 July 2017 (being the ex-entitlement date for the Open Offer) should refer to the instruction regarding split applications in the Terms and Conditions of the Open Offer at paragraph 4.1(b) of Part 12 of this Prospectus and the Open Offer Application Form.

#### *Qualifying CREST Shareholders*

Qualifying CREST Shareholders have not been sent an Open Offer Application Form. Instead, Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlement and Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 5 July 2017.

In the case of any Qualifying Shareholder that has sold or otherwise transferred only part of their existing holding of Shares held in uncertificated form on or before 8.00 a.m. on 4 July 2017, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate Basic Entitlement and Excess CREST Open Offer Entitlement to the purchaser or transferee.

Full details of the Open Offer are contained in the Terms and Conditions of the Open Offer in Part 12 of this Prospectus. If you have any doubt as to what action you should take, you should seek your own advice from your independent financial adviser duly authorised under FSMA who specialises in advice on the acquisition of shares and other securities.

The ISIN of the Basic Entitlements is GB00BF0P2476 and the SEDOL is BF0P2476. The ISIN for the Excess CREST Open Offer Entitlement is GB00BF0P2583 and the SEDOL is BF0P2583.

#### **4 THE OFFER FOR SUBSCRIPTION**

The Company has agreed to make an offer of Shares pursuant to the Offer for Subscription in the UK at the Issue Price, subject to the Terms and Conditions of Application. These terms and conditions set out in Part 13 of this Prospectus and the Application Form should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this Prospectus or the acquisition of Shares.

Application Forms accompanied by a cheque or banker's draft in Sterling made payable to "CIS PLC re: Empiric Student Property plc – Offer for Subscription A/C" and crossed "A/C Payee Only" for the appropriate sum should be returned to the Receiving Agent by no later than 11.00 a.m. on 19 July 2017. If the Offer for Subscription is extended, the revised timetable will be notified to any investors who have returned Application Forms.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11.00 a.m. on 19 July 2017. Please contact Computershare Investor Services PLC by email at [EmpiricOFS@computershare.co.uk](mailto:EmpiricOFS@computershare.co.uk) and Computershare will then provide applicants with a unique reference number which must be used when sending payment.

Applicants choosing to settle via CREST, that is DVP, will need to match their instructions to Computershare's participant account 8RA32 by no later than 11.00 a.m. on 21 July 2017, allowing for the delivery and acceptance of Shares to be made against payment of the Issue Price per Share, following the CREST matching criteria set out in the Application Form.

Applications under the Offer for Subscription must be for a minimum of 1,000 Shares and thereafter in multiples of 100 Shares. Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Board. The Directors reserve the right to refuse applications for any reason.

#### **5 CONDITIONS OF THE PLACING, THE OPEN OFFER AND THE OFFER FOR SUBSCRIPTION**

The Placing, the Open Offer and the Offer for Subscription are conditional upon, (i) the passing of the Resolutions at the General Meeting, (ii) Admission of the Shares to be issued pursuant to the Placing, the Open Offer and the Offer for Subscription occurring no later than 8.00 a.m. on 24 July 2017 (or such later time and/or date as the Company and Jefferies may agree) and (iii) the Placing Agreement not being terminated and becoming unconditional in accordance with its terms. If these conditions are not met, the Placing, the Open Offer and the Offer for Subscription will not proceed and an announcement to that effect will be made via a Regulatory Information Service.

#### **6 INTERMEDIARIES**

In connection with the Offer for Subscription, Jefferies will appoint certain Intermediaries to market the Shares to potential retail investors in the United Kingdom. The Intermediaries who have been appointed by Jefferies prior to the date of this Prospectus are listed in paragraph 15 of Part 9 of this Prospectus. Further Intermediaries may be appointed by Jefferies after the date of this Prospectus.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the Intermediaries in relation to the offering of Shares on market standard terms and provide for the payment of commission to any such Intermediaries that elect to receive commission from Jefferies.

Each Intermediary will submit a single Application Form pursuant to the Offer for Subscription in its own name, as nominee, for the aggregate number of Shares procured by it via subscriptions from underlying retail investors.

Each applicant who applies for Shares via an Intermediary must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Shares available to satisfy an application in full (due to scaling back of subscriptions or otherwise), the relevant Intermediary will be obliged to refund the applicant as required and all such refunds shall be made without interest. The Company, Jefferies and Akur accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Pursuant to the Intermediaries Terms and Conditions, the Intermediaries have undertaken to make payment on their own behalf for the consideration for any Shares subscribed pursuant to the Offer for Subscription by means of the CREST system against delivery of the Shares.

The publication of this Prospectus and any actions of the Company, Jefferies, Akur, the Intermediaries or other persons in connection with the Offer for Subscription should not be taken as any representation or assurance as to the basis on which the number of Shares to be offered under the Offer for Subscription or allocations between applications in the Offer for Subscription (from Intermediaries or otherwise) will be determined and any such actions or statements are hereby disclaimed by the Company, Jefferies, Akur and the Intermediaries.

## **7 OFFICIAL LIST AND MAIN MARKET**

Applications will be made to the UK Listing Authority for the Shares to be admitted to listing on the premium listing segment of the Official List. Applications will also be made to the London Stock Exchange for such Shares to be admitted to trading on the Main Market.

The Company's existing Shares are admitted to listing on the premium listing segment of the Official List and to trading on the Main Market.

The Company is subject to, and complies with, the on-going requirements of the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

## **8 ADMISSION**

Admission is expected to take place at 8.00 a.m. on 24 July 2017. An investor applying for Shares under the Issue may receive Shares in certificated or uncertificated form. The Shares are in registered form. No temporary documents of title will be issued. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. It is expected that CREST accounts will be credited on 24 July 2017 in respect of Shares issued in uncertificated form and definitive share certificates in respect of Shares held in certificated form will be despatched by post during the week commencing 7 August 2017.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the Net Asset Value per Share.

## 9 SCALING BACK AND ALLOCATION

The Offer for Subscription may be scaled back in favour of the Placing and the Placing may be scaled back in favour of the Offer for Subscription in the Directors' discretion (in consultation with Jefferies). The Open Offer is being made on a pro-rata basis to Qualifying Shareholders and is not subject to scaling back in favour of either the Placing or the Offer for Subscription, provided that any new Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Basic Entitlements and under the Excess Application Facility may be reallocated to the Placing and/or the Offer for Subscription and made available thereunder. In addition, to the extent that any new Shares available under the Placing or Offer for Subscription are not fully subscribed, then such new Shares will be available to satisfy Excess Applications under the Excess Application Facility, if required.

The Directors have the discretion (in consultation with Jefferies) to determine the basis of allocation within and between the Offer for Subscription and the Placing. Allocations of Shares pursuant to the Open Offer and Excess Application Facility shall be allocated on a pro-rata basis as further detailed in the section above entitled "The Open Offer" in this Part 5.

The Company will notify investors of the number of new Shares in respect of which their application has been successful and the results of the Issue will be announced by the Company on or around 20 July 2017 via a Regulatory Information Service announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned, by cheque, without interest at the risk of the applicant to the bank account from which the money was received.

## 10 WITHDRAWAL

In the event that the Company is required to publish a supplementary prospectus prior to Admission, applicants who have applied for Shares under the Issue shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their offer to acquire Shares in its entirety. The right to withdraw an application to acquire Shares in these circumstances will be available to all investors in the Issue. If the application is not withdrawn within the stipulated period, any offer to apply for Shares will remain valid and binding.

Investors under the Open Offer, the Excess Application Facility and the Offer for Subscription wishing to exercise statutory withdrawal rights after the publication of a supplementary prospectus and prior to Admission must do so by lodging written notice of withdrawal by hand (during normal business hours only) at Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS13 8AE or by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, so as to be received by no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received after expiry of such period will not constitute a valid withdrawal.

## 11 DILUTION

If a Qualifying Shareholder:

- (a) does not subscribe under the Open Offer for such number of new Shares as is equal to his or her proportionate ownership of existing Shares; or
- (b) subscribes under the Open Offer for such number of new Shares but does not participate in the Excess Application Facility or the Placing or the Offer for Subscription *pro rata* to their holdings of existing Shares,

his or her proportionate ownership and voting interests in the Company will be reduced.

## **12 GENERAL**

The Company, the Executive Directors, Jefferies and Akur have entered into the Placing Agreement pursuant to which Jefferies has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Shares made available under the Placing.

Applications pursuant to the Placing will be on the terms and conditions set out in Part 11 of this Prospectus.

Pursuant to anti-money laundering laws and regulations, with which the Company must comply in the UK, the Company (and its agents) may require evidence in connection with any application for Shares, including further identification of the applicant(s), before any Shares are issued.

The Directors (in consultation with Jefferies) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Shares.

If the Placing, the Open Offer and the Offer for Subscription do not proceed, any monies received will be returned to applicants without interest at their risk.

## **13 CLEARING AND SETTLEMENT**

Shares issued pursuant to the Issue will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from the date of Admission. In the case of Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes. CREST is a paperless book-entry settlement system operated by Euroclear which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that the Company will arrange for Euroclear to be instructed on the Admission date to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Shares outside of the CREST system following the closing of the Issue should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Shareholder or transferee requests Shares to be issued in certificated form and is holding such Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders holding definitive certificates may elect at a later date to hold such Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

Shareholders holding their Shares through CREST or otherwise in uncertificated form may obtain from the Registrar (as evidence of title) a certified extract from the Register showing their Shareholding.

## **14 OVERSEAS PERSONS**

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below. The offer of Shares to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any

government or other consents or need to observe any applicable legal requirements to enable them to obtain Shares. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe for Shares to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

In particular, no person receiving a copy of this Prospectus in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements. Persons (including, without limitation, nominees and trustees) receiving this Prospectus and/or an Open Offer Application Form may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations including, but not limited to, the Excluded Territories.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

## PART 6

### REIT STATUS AND TAXATION

#### 1 INTRODUCTION

##### 1.1 *Principal advantage of REIT status*

The principal advantage of REIT status is that the Group will be exempt from UK corporation tax on both rental profits and chargeable gains on disposals of properties held by the Property Rental Business. This will remove the effective double tax charge currently suffered by many investors in UK companies (see paragraph 2.1 of this Part 6 for more information).

##### 1.2 *Principal disadvantages of REIT status*

The principal disadvantages of REIT status are as follows:

- (a) in order for it to remain a REIT, the Group and the Company will have to comply with the various tests outlined in paragraph 2.2 of this Part 6 on an on-going basis; and
- (b) withholding tax of 20 per cent. must be deducted from certain distributions made to certain Shareholders (see paragraph 3 of this Part 6 for further details).

Overall, the Board believes that the advantage of REIT status outweighs the disadvantages.

##### 1.3 *Dividend policy under REIT regime*

The Group will have to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits (broadly, calculated using normal UK tax rules) of the Property Rental Business for each accounting period. The Board believes that the Company's dividend policy will enable the Group to meet this minimum distribution requirement.

##### 1.4 *The Substantial Shareholder rule*

Under the REIT Regime, a tax charge may be levied on the Group if the Company makes a distribution to a Substantial Shareholder, unless the Company has taken "reasonable steps" to avoid such a distribution being paid. This tax charge may be imposed only if, after joining the REIT regime, the Company pays a dividend in respect of a Substantial Shareholding and the dividend is paid to a person who is a Substantial Shareholder. The charge is not triggered merely because a Shareholder is a Substantial Shareholder, or if the person beneficially entitled to the dividend is a Substantial Shareholder. The amount of the charge is calculated by reference to the whole dividend paid to the Substantial Shareholder, and not just that part of the dividend attributable to Shares held by the Substantial Shareholder in excess of 10 per cent. of the Company's issued share capital.

A summary of the Articles is set out at paragraph 7 of Part 9 and the relevant provisions intended to give the Board the powers it needs to demonstrate to HMRC that "reasonable steps" have been taken to avoid making distributions to Substantial Shareholders are set out in paragraphs 4 and 5 of this Part 6.

## 1.5 ***Non-close company condition***

As mentioned below in paragraph 1.6 of this Part 6 the Company must not be a close company other than only by virtue of having as a participator an institutional investor. An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a limited partnership, a registered social landlord or an open-ended investment company. However the Company may be close for tax purposes for up to three years after joining the regime. If the non-close company requirement is not met at the start of the first day after the end of the first three-year period, the Group will lose its REIT status at the end of the three-year period. If the non-close company requirement is not met at any time after the first day following the first three-year period, the Group will cease to be a REIT at the end of the accounting period preceding the accounting period in which the breach began or, if later, the end of the first three-year period. Loss of REIT status would have a material impact on the Group because of the loss of tax benefits conferred by the REIT regime.

Although the Board does not expect the close company condition to be breached in the ordinary course of events, there is a risk that the Company may fail to meet this condition for reasons beyond its control. However, under certain circumstances a breach of this condition may be disregarded if the reason for the breach is because the Company becomes a member of another group REIT or if the breach is the result of anything done (or not done) by a person other than the Company and the Company remedies the breach before the end of the accounting period after that in which the breach began.

## 1.6 ***Exit from the REIT regime***

The Company can give notice to HMRC at any time that it wants the Group to leave the REIT regime. The Board retains the right to decide to exit the REIT regime at any time in the future without the consent of Shareholders if it considers this to be in the best interests of the Group and the Shareholders.

If the Group voluntarily leaves the REIT regime within ten years of joining and disposes of any property or other asset that was involved in its qualifying Property Rental Business within two years of leaving, any uplift in the base cost of any property held by the Group as a result of the deemed disposal on entry into the REIT regime, movement into the ringfence or exit from the REIT regime would be disregarded in calculating the gain or loss on the disposal. It is important to note that the Company cannot guarantee continued compliance with all of the REIT conditions and that the REIT regime may cease to apply in some circumstances. HMRC may require the Group to exit the REIT regime if:

- (a) it regards a breach of the conditions (including failure to satisfy the conditions relating to the Property Rental Business), or an attempt by the Group to avoid tax, as sufficiently serious;
- (b) the Company or the Group has committed a certain number of breaches of the conditions within a specified period; or
- (c) HMRC has given members of the Group two or more notices in relation to the avoidance of tax by the Company within a ten year period.

The Group may lose its status as a REIT from the first day of joining the REIT regime if during the first accounting period certain conditions have not been met. In such circumstances the REIT status may not apply for the whole period.

In addition, the Group would automatically lose REIT status if any of the following were to occur:

- (a) the conditions for REIT status relating to the share capital of the Company and the prohibition on entering into loans with abnormal returns are breached;
- (b) the Company ceases to be UK resident for tax purposes;
- (c) the Company becomes dual resident for tax purposes; or
- (d) the Company becomes an open-ended company.

Future changes in legislation may cause the Group to lose its REIT status.

If the Group is required to leave the REIT regime within 10 years of joining, HMRC has wide powers to direct how the Group should be taxed, including in relation to the date on which the Group is treated as exiting the REIT regime.

Shareholders should note that it is possible that the Group could lose its status as a REIT as a result of actions by third parties (for example, if the Company is taken over by a company that is not itself a REIT).

## **2 THE REIT REGIME**

The following paragraphs are intended as a general guide only and constitute a high-level summary of the Company's understanding of current UK law and HMRC practice, each of which is subject to change. They do not constitute advice.

### **2.1 Overview**

The REIT regime is intended to encourage greater investment in the UK property market and follows similar legislation in other European countries, as well as the long-established regime in the United States.

Investing in property through a corporate investment vehicle (such as a UK company) has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholders (but not most UK companies) effectively suffer tax twice on the same income: first, indirectly, when the vehicle pays UK direct tax on its profits; and secondly, directly (but with the benefit of a tax credit), when the shareholder receives a dividend. Non-tax paying entities, such as UK pension funds, suffer tax indirectly when investing through a corporate vehicle that is not a REIT in a manner they do not suffer if they invest directly in the property assets.

Provided certain conditions and tests are satisfied (see "Qualification as a REIT" below), REITs will not pay UK corporation tax on the profits of their Property Rental Business. Instead, distributions in respect of the Property Rental Business will be treated for UK tax purposes as property income in the hands of shareholders. However, UK corporation tax will still be payable in the normal way in respect of income and gains from any Residual Business (generally including any property trading business) not included in the Property Rental Business.

While within the REIT regime, the Property Rental Business will be treated as a separate business for UK corporation tax purposes to the Residual Business, and a loss incurred by the Property Rental Business cannot be set off against profits of the Residual Business (and *vice versa*).

A REIT will be required to distribute to its shareholders (by way of a dividend in cash or by way of an issue of share capital in lieu of a cash dividend), on or before the filing date for the REIT's tax return for the accounting period in question, at least 90 per cent. of the income profits (calculated using normal tax rules) of the Property Rental Business arising in each accounting period. Where a stock dividend has been issued and a market value of the stock dividend has had to be used which causes the distribution requirement not to be met, an extended time limit of up to six months beginning with the filing date applies for complying with the distribution requirement. Failure to meet this requirement will result in a UK corporation tax charge calculated by reference to the extent of the failure, although this charge can be avoided if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level.

In this Prospectus, references to a company's accounting period are to its accounting period for tax purposes. This period can differ from a company's accounting period for other purposes.

Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the UK tax treatment of Shareholders after entry into the REIT regime are contained in paragraph 3 of this Part 6.

## 2.2 **Qualification as a REIT**

A group becomes a REIT by serving notice on HMRC on or before the date from which it wishes to come under the REIT regime. In order to qualify as a REIT, the Company and the Group must satisfy certain conditions set out in Part 12 of CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the Company and the Group must satisfy the conditions set out in the paragraphs below.

### (a) *Company conditions*

The principal company of a REIT must be a solely UK tax-resident company whose ordinary shares are admitted to trading on a recognised stock exchange, which includes the Main Market of the London Stock Exchange. Additionally, the principal company of a REIT must not be an open-ended investment company. After the first three year period, the principal company of a REIT must also not be a close company for UK tax purposes other than by virtue of having as a participator an institutional investor. Broadly, a close company, is a UK resident company controlled by five or fewer participants, or by participants who are directors. A participant is a person having a share or interest in the income or capital of a company. An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a limited partnership, a registered social landlord or an open-ended investment company.

### (b) *Share capital restrictions*

The principal company of a REIT must have only one class of ordinary shares in issue and the only other shares it may issue are particular types of non-voting restricted preference shares.

### (c) *Interest restrictions*

The principal company of a REIT must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any part of its business or on the value of any of its assets. A loan is not treated

as carrying results-dependent interest by reason only that the terms of the loan provide for interest to reduce if the results improve or to increase if the results deteriorate. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

(d) *Conditions for the Property Rental Business*

The Property Rental Business must satisfy the conditions summarised below in respect of each accounting period during which it is to be treated as a REIT:

- the Property Rental Business must, throughout the accounting period, involve at least three properties. A self-contained flat within a residential block counts as a single property for these purposes;
- throughout the accounting period, no one property may represent more than 40 per cent. of the total value of all the properties involved in the Property Rental Business. Assets must be valued in accordance with IFRS, and at fair value when IFRS offers a choice between a cost basis and a fair value basis;
- at least 90 per cent. of the amounts shown in the financial statements of the group as income profits (broadly, calculated using normal tax rules) of the Property Rental Business must be distributed to shareholders of the REIT in the form of a PID on or before the filing date for the REIT's tax return for the accounting period (the "**90 per cent. distribution test**"). For the purpose of satisfying the 90 per cent. distribution test, any dividend withheld in order to comply with the rule relating to Substantial Shareholders (as described in paragraph 2.3.2 below) will be treated as having been paid. The issue of stock dividends will count towards the 90 per cent. threshold;
- the income profits arising from the qualifying Property Rental Business must represent at least 75 per cent. of the company's total profits for the accounting period (the "**75 per cent. profits test**"). Profits for this purpose means profits before deduction of tax and excludes realised and unrealised gains and losses (for example, gains and losses on the disposal of property, and gains and losses on the revaluation of properties) calculated in accordance with IFRS; and
- at the beginning of the accounting period the value of the assets in the Property Rental Business must represent at least 75 per cent. of the total value of assets held by the group (the "**75 per cent. assets test**"). Cash held on deposit and gilts may be added to the value of assets relating to qualifying Property Rental Business for the purpose of meeting the 75 per cent. assets test. Non-cash assets must be valued in accordance with IFRS and at fair value where IFRS offers a choice of valuation between cost basis and fair value. In applying this test, no account is to be taken of liabilities secured against or otherwise relating to assets (whether generally or specifically).

(e) *Investment in other REITs*

Any distribution of profits or gains of the Property Rental Business by the principal company of a group UK REIT received by another REIT are treated as tax exempt

profits of the Property Rental Business of the investing REIT. The investing REIT would be required to distribute 100 per cent. of such distributions to its shareholders. For the purposes of the 75 per cent. assets test, the investment by a REIT in the shares of another REIT will be included as an asset of the investing REIT's Property Rental Business.

### 2.3 ***Effect of becoming a REIT***

#### (a) *Tax savings*

As a REIT, a group will not pay UK corporation tax on profits and gains from the Property Rental Business. UK corporation tax will still apply in the normal way in respect of the Residual Business which includes certain trading activities, incidental letting in relation to property trades and letting of administrative property which is temporarily surplus to requirements.

A REIT would also continue to pay indirect taxes such as VAT, stamp duty land tax and stamp duty and payroll taxes (such as national insurance) in the normal way.

#### (b) *The Substantial Shareholder rule*

A REIT will become subject to an additional tax charge if it pays a dividend to, or in respect of, a Substantial Shareholder. The additional tax charge will be calculated by reference to the whole dividend paid to a Substantial Shareholder, and not just by reference to the proportion which exceeds the 10 per cent. threshold. It should be noted that this restriction only applies to shareholders that are bodies corporate and to certain entities which are deemed to be bodies corporate for tax purposes in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement or in accordance with such a double taxation agreement. It does not apply to nominees.

This tax charge will not be incurred if the REIT has taken "reasonable steps" to avoid paying dividends to such a shareholder. HMRC guidance describes certain actions that a REIT may take to show it has taken such "reasonable steps". One of these actions is to include restrictive provisions in the REIT's articles of association to address this requirement. The Articles of Association are consistent with such provisions.

#### (c) *Dividends*

When a REIT pays a dividend (including a stock dividend), that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution test. If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business. Any remaining balance of the dividend (or other distribution) will be deemed to be a PID: firstly, in respect of the income profits out of which a PID can be paid and which have not been distributed in full; and secondly, a PID paid out of certain chargeable gains which are exempt from tax by virtue of the REIT regime. Any remaining balance will be attributed to any other profits.

#### (d) *Interest cover ratio*

A tax charge will arise if, in respect of any accounting period, the ratio of the Group's income profits (before capital allowances) in respect of its Property Rental Business to the financing costs incurred in respect of the Property Rental Business

is less than 1.25. The ratio is based on the cost of debt finance taking into account interest, amortisation of discounts or premiums and the financing expense implicit in payments made under finance leases. The corporation tax charge is capped at a maximum of 20 per cent. of the profits of the Property Rental Business for the accounting period in question.

(e) *Certain tax avoidance arrangements*

If HMRC believes that a member of a REIT has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Property Rental Business.

(f) *Movement of assets in and out of the Property Rental Business*

In general, where an asset owned by a REIT and used for the Property Rental Business begins to be used for the Residual Business, there will be a tax-free step up in the base cost of the property. Where an asset used for the Residual Business begins to be used for the Property Rental Business, this will generally constitute a taxable market value disposal of the asset, except for capital allowances purposes. Special rules apply to disposals by way of a trade and of development property.

(g) *Joint ventures*

If a REIT is beneficially entitled to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding-up, that joint venture company is carrying on a qualifying property rental business which satisfies the 75 per cent. profits test and the 75 per cent. assets test (the “**JV company**”) and certain other conditions are satisfied, the REIT may, by giving notice to HMRC, elect for the relevant proportion of the assets and income of the JV company to be included in the Property Rental Business for tax purposes. In such circumstances, the income and assets of the JV company will count towards the 90 per cent. distribution test, the 75 per cent. profits test and the 75 per cent. assets test to the extent of a REIT’s interest in the JV company. Note that these rules also apply to joint venture groups.

(h) *Acquisitions and takeovers*

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Property Rental Business and chargeable gains on disposal of properties in the Property Rental Business.

The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT and will therefore be treated as leaving the REIT regime at the end of its accounting period preceding the takeover and ceasing from the end of this accounting period to benefit from tax exemptions on the profits of its Property Rental Business and chargeable gains on disposal of property forming part of its Property Rental Business. The properties in the Property Rental Business are treated as having been sold and reacquired at market value for the purposes of UK corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax-free as they are deemed to have been made at a time when the company was still in the REIT regime and future chargeable gains on the relevant

assets will, therefore, be calculated by reference to a base cost equivalent to this market value. If the company ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be recharacterised retrospectively as normal dividends.

### **3 DESCRIPTION OF THE REIT PROVISIONS INCLUDED IN THE ARTICLES**

#### **3.1 Introduction**

The Articles contain provisions designed to enable the Company to demonstrate to HMRC that it has taken “reasonable steps” to avoid paying a dividend (or making any other distribution) to any Substantial Shareholder.

If a distribution is paid to a Substantial Shareholder and the Company has not taken reasonable steps to avoid doing so, the Company would become subject to a UK corporation tax charge.

The Articles contain special articles for this purpose (the “**Special Articles**”). The text of the Special Articles is set out in paragraph 4 of this Part 6.

The Special Articles:

- provide directors with powers to identify its Substantial Shareholders (if any);
- prohibit the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met;
- allow dividends to be paid on Shares that form part of a Substantial Shareholding where the Shareholder has disposed of its rights to dividends on its Shares; and
- seek to ensure that if a dividend is paid on Shares that form part of a Substantial Shareholding and arrangements of the kind referred to in the preceding paragraph are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend.

The effect of the Special Articles is explained in more detail below.

#### **3.2 Identification of Substantial Shareholders**

The share register of the Company records the legal owner and the number of Shares they own but does not identify the persons who are beneficial owners of the Shares or are entitled to control the voting rights attached to the Shares or are beneficially entitled to dividends. While the requirements for the notification of interests in shares provided in Part VI of the Companies Act and the Board’s rights to require disclosure of such interests (pursuant to Part 22 of the Companies Act and article 4 of the Articles) should assist in the identification of Substantial Shareholders, those provisions are not on their own sufficient.

Accordingly, the Special Articles require a Substantial Shareholder and any registered Shareholder holding Shares on behalf of a Substantial Shareholder to notify the Company if his Shares form part of a Substantial Shareholding. Such a notice must be given within two business days. The Special Articles give the Board the right to require any person to provide information in relation to any Shares in order to determine whether the Shares form part of a Substantial Shareholding. If the required information is not provided within the time specified (which is seven days after a request is made or such other period as the Board may decide), the Board is entitled to impose sanctions, including withholding dividends (as described in paragraph 4.3 below) and/or requiring the transfer of the Shares

to another person who is not, and does not thereby become, a Substantial Shareholder (as described in paragraph 3.6 below).

The Special Articles provide that a dividend will not be paid on any Shares that the Board believes may form part of a Substantial Shareholding unless the Board is satisfied that the Substantial Shareholder is not beneficially entitled to the dividend.

If in these circumstances payment of a dividend is withheld, the dividend will be paid subsequently if the Board is satisfied that:

- the Substantial Shareholder concerned is not beneficially entitled to the dividends (see also paragraph 3.4 below);
- the shareholding is not part of a Substantial Shareholding;
- all or some of the Shares and the right to the dividend have been transferred to a person who is not, and does not thereby become, a Substantial Shareholder (in which case the dividends will be paid to the transferee); or
- sufficient Shares have been transferred (together with the right to the dividends) such that the Shares retained are no longer part of a Substantial Shareholding (in which case the dividends will be paid on the retained Shares).

For this purpose references to the “**transfer**” of a Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Share.

### 3.3 ***Payment of a dividend where rights to it have been transferred***

The Special Articles provide that dividends may be paid on Shares that form part of a Substantial Shareholding if the Board is satisfied that the right to the dividend has been transferred to a person who is not, and does not thereby become, a Substantial Shareholder and the Board may be satisfied that the right to the dividend has been transferred if it receives a certificate containing appropriate confirmations and assurances from the Substantial Shareholder. Such a certificate may apply to a particular dividend or to all future dividends in respect of Shares forming part of a specified Substantial Shareholding, until notice rescinding the certificate is received by the Company. A certificate that deals with future dividends will include undertakings by the person providing the certificate:

- to ensure that the entitlement to future dividends will be disposed of; and
- to inform the Company immediately of any circumstances which would render the certificate no longer accurate.

The Directors may require that any such certificate is copied or provided to such persons as they may determine, including HMRC.

If the Board believes a certificate given in these circumstances is or has become inaccurate, then it will be able to withhold payment of future dividends (as described in paragraph 3 above). In addition, the Board may require a Substantial Shareholder to pay to the Company the amount of any tax payable (and other costs incurred) as a result of a dividend having been paid to a Substantial Shareholder in reliance on the inaccurate certificate. The Board may require a sale of the relevant Shares and retain the amount claimed from the proceeds.

Certificates provided in the circumstances described above will be of considerable importance to the Company in determining whether dividends can be paid. If the Company suffers loss as a result of any misrepresentation or breach of undertaking given in such a certificate, it may seek to recover damages directly from the person who has provided it. Any such tax may also be recovered out of dividends to which the Substantial Shareholder concerned may become entitled in the future.

The effect of these provisions is that there is no restriction on a person becoming or remaining a Substantial Shareholder provided that the person who does so makes appropriate arrangements to divest itself of the entitlement to dividends.

#### 3.4 ***Trust arrangements where rights to dividends have not been disposed of by***

##### *Substantial Shareholder*

The Special Articles provide that if a dividend is in fact paid on Shares forming part of a Substantial Shareholding (which might occur, for example, if a Substantial Shareholding is split among a number of nominees and is not notified to the Company prior to a dividend payment date) the dividends so paid are to be held on trust by the recipient for any person (who is not a Substantial Shareholder) nominated by the Substantial Shareholder concerned. The person nominated as the beneficiary could be the purchaser of the Shares if the Substantial Shareholder is in the process of selling down their holding so as not to cause the Company to breach the Substantial Shareholder rule. If the Substantial Shareholder does not nominate anyone within 12 years, the dividend concerned will be held on trust for the Company or such charity as the Board may nominate.

If the recipient of the dividend passes it on to another without being aware that the Shares in respect of which the dividend was paid were part of a Substantial Shareholding, the recipient will have no liability as a result. However, the Substantial Shareholder who receives the dividend should do so subject to the terms of the trust and as a result may not claim to be beneficially entitled to those dividends.

#### 3.5 ***Mandatory sale of Substantial Shareholdings***

The Special Articles also allow the Board to require the disposal of Shares forming part of a Substantial Shareholding if:

- a Substantial Shareholder has been identified and a dividend has been announced or declared and the Board has not been satisfied that the Substantial Shareholder has transferred the right to the dividend (or otherwise is not beneficially entitled to it);
- there has been a failure to provide information requested by the Board; or
- any information provided by any person proves materially inaccurate or misleading.

In these circumstances, if the Company incurs a charge to tax as a result of one of these events, the Board may, instead of requiring the Shareholder to dispose of the Shares, arrange for the sale of the relevant Shares and for the Company to retain from the sale proceeds an amount equal to any tax so payable.

### 3.6 **Takeovers**

The Special Articles do not prevent a person from acquiring control of the Company through a takeover or otherwise, although as explained above, such an event may cause the Company to cease to qualify as a REIT.

### 3.7 **Other**

The Special Articles also give the Company power to require any Shareholder who applies to be paid dividends without any tax withheld to provide such certificate as the Board may require to establish the Shareholder's entitlement to that treatment.

The Special Articles may be amended by special resolution passed by the Shareholders in the future, including to give powers to the Directors to ensure that the Company can comply with the close company condition described in paragraph 2.2.1 of this Part 6, which powers may include the ability to arrange for the sale of Shares on behalf of Shareholders.

## 4 **THE SPECIAL ARTICLES**

The following sets out in full the Special Articles (being Articles 3 to 8) contained in the Company's Articles:

### **"REAL ESTATE INVESTMENT TRUST**

#### **3. CARDINAL PRINCIPLE**

- 3.1 It is a cardinal principle that, for so long as the Company qualifies as a REIT or is the principal company of a group REIT for the purposes of Part 12 of the CTA 2010, it should not be liable to pay tax under Section 551 of the CTA 2010 on or in connection with the making of a Distribution.
- 3.2 Articles 4 to 8 support such cardinal principle by, among other things, imposing restrictions and obligations on the members and, indirectly, certain other persons who may have an interest in the Company, and shall be construed accordingly so as to give effect to such cardinal principle.

#### **4. NOTIFICATION OF SUBSTANTIAL SHAREHOLDER AND OTHER STATUS**

- 4.1 Each member and any other relevant person shall serve notice in writing on the Company at the Office on:
- 4.1.1 him becoming a Substantial Shareholder (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to, details of the identity of the member(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the Directors may require from time to time);
- 4.1.2 him becoming a Relevant Registered Shareholder (together with such details of the relevant Substantial Shareholder and such other information, certificates or declarations as the Directors may require from time to time); and
- 4.1.3 any change to the particulars contained in any such notice, including on the relevant person ceasing to be a Substantial Shareholder or a Relevant Registered Shareholder.

Any such notice shall be delivered by the end of the second Business Day after the day on which the person becomes a Substantial Shareholder or a Relevant Registered Shareholder or the change in relevant particulars or within such shorter or longer period as the Directors may specify from time to time.

- 4.2 The Directors may at any time give notice in writing to any person requiring him, within such period as may be specified in the notice (being seven days from the date of service of the notice or such shorter or longer period as the Directors may specify in the notice), to deliver to the Company at the Office such information, certificates and declarations as the Directors may require to establish whether or not he is a Substantial Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such person shall deliver such information, certificates and declarations within the period specified in such notice.

## **5. DISTRIBUTIONS IN RESPECT OF SUBSTANTIAL SHAREHOLDINGS**

- 5.1 In respect of any Distribution, the Directors may, if the Directors determine that the condition set out in Article 5.2 is satisfied in relation to any Shares, withhold payment of such Distribution on or in respect of such Shares. Any Distribution so withheld shall be paid as provided in Article 5.3 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.

- 5.2 The condition referred to in Article 5.1 is that, in relation to any Shares and any Distribution to be paid or made on and in respect of such Shares:

5.2.1 the Directors believe that such Shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and

5.2.2 the Directors are not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid, and, for the avoidance of doubt, if the Shares comprise all or part of a Substantial Shareholding in respect of more than one Substantial Shareholder this condition is not satisfied unless it is satisfied in respect of all such Substantial Shareholders.

- 5.3 If a Distribution has been withheld on or in respect of any Shares in accordance with Article 5.1, it shall be paid as follows:

5.3.1 if it is established to the satisfaction of the Directors that the condition in Article 5.2 is not satisfied in relation to such Shares, in which case the whole amount of the Distribution withheld shall be paid; and

5.3.2 if the Directors are satisfied that sufficient interests in all or some of the Shares concerned have been transferred to a third party so that such transferred Shares no longer form part of the Substantial Shareholding, in which case the Distribution attributable to such Shares shall be paid (provided the Directors are satisfied that following such transfer such Shares concerned do not form part of a Substantial Shareholding); and

5.3.3 if the Directors are satisfied that as a result of a transfer of interests in Shares referred to in Article 5.3.2 above the remaining Shares no longer form part of a Substantial Shareholding, in which case the Distribution attributable to such Shares shall be paid.

In this Article 5.3, references to the “transfer” of a Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Share.

- 5.4 A Substantial Shareholder may satisfy the Directors that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The Directors shall be entitled to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the Directors shall be entitled to require such other information, certifications or declarations as they think fit.
- 5.5 The Directors may withhold payment of a Distribution on or in respect of any Shares if any notice given by the Directors pursuant to Article 5.2 in relation to such Shares shall not have been complied with to the satisfaction of the Directors within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the Directors unless the Directors withhold payment pursuant to Article 5.1 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 5.6 If the Directors decide that payment of a Distribution should be withheld under Article 5.1 or Article 5.5, they shall within seven Business Days give notice in writing of that decision to the Relevant Registered Shareholder. If any Distribution shall be paid on a Substantial Shareholding and an Excess Charge becomes payable, the Substantial Shareholder shall pay the amount of such Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company on demand by the Company. Without prejudice to the right of the Company to claim such amount from the Substantial Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to Article 7.2 or out of any subsequent Distribution in respect of the Shares to such person or to the members of all Shares in relation to or by virtue of which the Directors believe that person has an interest in the Company (whether that person is at that time a Substantial Shareholder or not).

## **6. DISTRIBUTION TRUST**

- 6.1 If a Distribution is paid in respect of a Substantial Shareholding in circumstances where the Substantial Shareholder is not beneficially entitled to the Distribution, the Distribution and any income arising from it shall be held by the payee or other recipient to whom the Distribution is transferred by the payee on trust absolutely for the persons nominated by the relevant Substantial Shareholder under Article 6.2 in such proportions as the relevant Substantial Shareholder shall in the nomination direct, subject to and in default of such nomination being validly made within 12 years after the date the Distribution is made, for the Company or for such charity as may be nominated by the Directors from time to time.
- 6.2 The relevant Substantial Shareholder of Shares in respect of which a Distribution is paid shall be entitled to nominate in writing any two or more persons (not being Substantial Shareholders) to be the beneficiaries of the trust on which the Distribution is held under Article 6.1 and the Substantial Shareholder may in any such nomination state the proportions in which the Distribution is to be held on trust for the nominated persons, failing which the Distribution shall be held on trust for the nominated persons in equal proportions. No person may be nominated under this Article 6.2 who is or would, on becoming a beneficiary in accordance with the nomination, become a Substantial Shareholder. If the Substantial

Shareholder making the nomination is not by virtue of Article 6.1 the trustee of the trust, the nomination shall not take effect until it is delivered to the person who is the trustee.

- 6.3 Any income arising from a Distribution which is held on trust under Article 6.1 shall until the earlier of (i) the making of a valid nomination under Article 6.2 and (ii) the expiry of the period of 12 years from the date when the Distribution is paid, be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place.
- 6.4 No person who by virtue of Article 6.1 holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.
- 6.5 No person who by virtue of Article 6.1 holds a Distribution on trust shall be liable for any breach of trust unless due to his own wilful fraud or wrongdoing or, in the case of an incorporated person, the fraud or wilful wrongdoing of its directors, officers or employees.

## **7. OBLIGATION TO DISPOSE**

7.1 If at any time, the Directors believe that:

- 7.1.1 in respect of any Distribution declared or announced, the condition set out in Article 5.2 is satisfied in respect of any Shares in relation to that Distribution; or
- 7.1.2 a notice given by the Directors pursuant to Article 4.2 in relation to any Shares has not been complied with to the satisfaction of the Directors within the period specified in such notice; or
- 7.1.3 any information, certificate or declaration provided by a person in relation to any Shares for the purposes of this Article 7.1 was materially inaccurate or misleading,

the Directors may give notice in writing (a “**Disposal Notice**”) to any persons they believe are Relevant Registered Shareholders in respect of the relevant Shares requiring such Relevant Registered Shareholders within 21 days of the date of service of the notice (or such longer or shorter time as the Directors consider to be appropriate in the circumstances) to dispose of such number of Shares the Directors may in such notice specify or to take such other steps as will cause the condition set out in Article 5.2 no longer to be satisfied. The Directors may, if they think fit, withdraw a Disposal Notice.

7.2 If:

- 7.2.1 the requirements of a Disposal Notice are not complied with to the satisfaction of the Directors within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or
- 7.2.2 a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable,

the Directors may arrange for the Company to sell all or some of the Shares to which the Disposal Notice relates or, as the case may be, that form part of the Substantial Shareholding concerned. For this purpose, the Directors may make

such arrangements as they deem appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of the relevant Share and, in the case of Shares in uncertificated form, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant Share through a relevant system.

- 7.3 Any sale pursuant to Article 7.2 above shall be at the price which the Directors consider is the best price reasonably obtainable and the Directors shall not be liable to the holder or holders of the relevant Share for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.
- 7.4 The net proceeds of the sale of any Share under Article 7.2 (less any amount to be retained pursuant to Article 5.5 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant Share upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.
- 7.5 The title of any transferee of Shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this Article 7.

## **8. GENERAL**

- 8.1 The Directors shall be entitled to presume without enquiry, unless any Director has reason to believe otherwise, that a person is not a Substantial Shareholder or a Relevant Registered Shareholder.
- 8.2 The Directors shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular person) pursuant to Articles 3 to 8 and any such determination or decision shall be final and binding on all persons unless and until it is revoked or changed by the Directors. Any disposal or transfer made or other thing done by or on behalf of the Board or any Director pursuant to Articles 3 to 8 shall be binding on all persons and shall not be open to challenge on any ground whatsoever.
- 8.3 Without limiting their liability to the Company, the Directors shall be under no liability to any other person, and the Company shall be under no liability to any member or any other person, for identifying or failing to identify any person as a Substantial Shareholder or a Relevant Registered Shareholder.
- 8.4 The Directors shall not be obliged to serve any notice required under Articles 3 to 8 upon any person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error in or failure to give any notice to any person upon whom notice is required to be served under Articles 3 to 8 shall not prevent the implementation of or invalidate any procedure under Articles 3 to 8.
- 8.5 The provisions of Articles 161 to 166 shall apply to the service upon any person of any notice required by Articles 3 to 8. Any notice required by Articles 3 to 8 to be served upon a person who is not a member or upon a person who is a member but whose address is not within the United Kingdom shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that person or member at the address if any, at which the Directors believe him to be resident or carrying on business or, in the case of a holder of depository receipts or similar securities, to the address, if any, in the register of holders of the relevant securities. Service shall, in such a case be deemed to be effected on the day of

posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.

- 8.6 Any notice required or permitted to be given pursuant to Articles 3 to 8 may relate to more than one Share and shall specify the Share or Shares to which it relates.
- 8.7 The Directors may require from time to time any person who is or claims to be a person to whom a Distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such certificates or declarations as they may require from time to time.
- 8.8 Any of Articles 3 to 8 may be amended by special resolution from time to time, including to give powers to the Directors to take such steps as they may require in order to ensure that the Company can satisfy Condition D of Section 528 of the CTA 2010 which relates to close company status, which powers may include the ability to arrange for the sale of Shares on behalf of members.
- 8.9 Where any certificate or declaration may be or is required to be provided by any person (including, without limitation, a Distribution Transfer Certificate) pursuant to any of Articles 3 to 8, such certificate or declaration may be required by the Directors (without limitation):
- 8.9.1 to be addressed to the Company, the Directors or such other persons as the Directors may determine (including HMRC);
  - 8.9.2 to include such information as the Directors consider is required for the Company to comply with any Reporting Obligation;
  - 8.9.3 to contain such legally binding representations and obligations as the Directors may determine;
  - 8.9.4 to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;
  - 8.9.5 to be copied or provided to such persons as the Directors may determine (including HMRC); and
  - 8.9.6 to be executed in such form (including as a deed or deed poll) as the Directors may determine.

The provisions of Articles 3 to 8 shall apply notwithstanding any provisions to the contrary in any other Article (including, without limitation, Articles 147 to 159).”

## **5 UNITED KINGDOM TAX TREATMENT OF SHAREHOLDERS**

### **5.1 *Introduction***

The following paragraphs are intended as a general guide only and are based on the Company’s understanding of current UK tax law and HMRC practice as at the date of this Prospectus, each of which is subject to change, possibly with retrospective effect. They do not constitute advice.

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of Shares in the Company, in each case, assuming the Company maintains REIT status.

Except where otherwise indicated, they apply only to Shareholders who are resident for tax purposes solely in the United Kingdom. They apply only to Shareholders who are the absolute beneficial owners of both their PIDs and their Shares and who hold their Shares as investments. They do not apply to Substantial Shareholders. They do not apply to certain categories of Shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their Shares by reason of their or another's employment, persons who hold their Shares as part of hedging or conversion transactions, or persons who hold their Shares in connection with a UK branch, agency or permanent establishment. Except where otherwise indicated at paragraph 5.3(d) (Withholding tax) below, they do not apply to persons holding Shares by virtue of an interest in any partnerships, insurance companies, life insurance companies, mutual companies, collective investment schemes, charities, trustees, local authorities, or pension scheme administrators.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

## 5.2 **UK taxation of Non-PID Dividends**

### (a) *Individual Shareholders*

A Shareholder who is an individual resident for UK tax purposes in the UK and who receives a Non-PID Dividend from the Company will be entitled to a dividend allowance in the form of a 0 per cent. tax rate on the first £5,000 of dividend income per year. UK resident individual Shareholders will pay tax on any dividends received over the £5,000 allowance at the following rates: 7.5 per cent. on dividend income within the basic rate band, 32.5 per cent. on dividend income within the higher rate band and 38.1 per cent. on dividend income within the additional rate band. It has been announced that the dividend allowance will be reduced from £5,000 to £2,000 from the tax year 2018/19 onwards.

### (b) *Corporate Shareholders*

A Shareholder within the charge to UK corporation tax which is a "small company" (for the purposes of UK taxation of dividends) will not generally be subject to tax on Non-PID Dividends from the Company, provided certain conditions are met.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on Non-PID Dividends from the Company so long as they fall within an exempt class and do not fall within certain specified anti-avoidance provisions. Examples of dividends that are within an exempt class are dividends paid on "non-redeemable ordinary shares" for UK tax purposes and dividends in respect of portfolio holdings, where the recipient owns less than 10 per cent. of the issued share capital of the payer (or any class of that share capital).

## 5.3 **UK taxation of PIDs**

### (a) *UK taxation of individual Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in Section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company

to which Part 12 of the CTA 2010 applies, treated as a separate UK property business from any other UK property business (a “**different UK property business**”) carried on by the relevant Shareholder. This means that surplus expenses from a Shareholder’s different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder’s UK property business.

Please see also paragraph on withholding tax below.

(b) *UK taxation of corporate Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to UK corporation tax as profit of a UK property business (as defined in Section 205 of the Corporation Tax Act 2009). This means that, subject to the availability of any exemptions or reliefs, such Shareholders should be liable to UK corporation tax on income on the entire amount of their PID. A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a different UK property business carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder’s different UK property business cannot be off-set against a PID as part of a single calculation of the Shareholder’s UK property profits.

Please see also paragraph on withholding tax below.

(c) *UK taxation of Shareholders who are not resident for tax purposes in the UK*

Where a Shareholder who is resident outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding by the Company.

Please see also paragraph on withholding tax below.

(d) *Withholding tax*

- **General**

Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs. The Company will provide Shareholders with a certificate setting out the amount of tax withheld.

- **Shareholders solely resident in the UK**

Where UK income tax has been withheld at source, Shareholders who are individuals may, depending on their circumstances, either be liable to further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are bodies corporate may, depending upon their circumstances, be liable to pay UK corporation tax on their PID but they should note that, where income tax is (exceptionally) withheld at source, the tax withheld can be set against the Shareholder’s liability to UK corporation tax in the accounting period in which the PID is received.

- Shareholders who are not resident for tax purposes in the UK

It is not possible for a Shareholder to make a claim under a relevant double taxation treaty with the UK for a PID to be paid by the Company gross or at a reduced rate. The Shareholder may be able to claim repayment of any part of the tax withheld from a PID, depending on the existence and terms of any such double taxation treaty between the UK and the country in which the Shareholder is resident for tax purposes.

- Exceptions to requirement to withhold income tax

Shareholders should note that in certain circumstances the Company may not be obliged to withhold UK income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, a charity, or a body which is allowed the same exemption from tax as a charity. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, or the sub-scheme administrator of certain pension sub-schemes or the account manager of an ISA, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme or account.

The Company will also not be required to withhold income tax at source from a PID where the Company reasonably believes that the body beneficially entitled to the PID is a partnership each member of which is a body described in the paragraph above.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid claim form.

#### 5.4 ***UK taxation of chargeable gains, stamp duty and stamp duty reserve tax (“SDRT”) in respect of Shares***

Subject to the first paragraph of paragraph 5.1 above, the following comments apply to both individual and corporate Shareholders, regardless of whether or not such Shareholders are resident for tax purposes in the UK.

##### (a) *UK taxation of chargeable gains*

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to UK capital gains tax in respect of any gain arising on a disposal of their Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,300 for the tax year 2017-2018. For individual Shareholders, capital gains tax at the rate of 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher or additional rate taxpayers) may be payable on any gain (tax year 2017/18). Individuals may benefit from certain reliefs and allowances (including the annual exemption, which exempts the first £11,300 (tax year 2017/18) of gains from tax) depending on their circumstances.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax on chargeable gains arising on a disposal of their Shares. The indexation allowance may reduce the amount of chargeable gain that is subject to UK corporation tax but may not create or increase any allowable loss.

Capital losses realised on a disposal of Shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

(b) *UK stamp duty and SDRT*

No UK stamp duty or stamp duty reserve tax will generally be payable on the issue, allotment and registration of Shares.

Transfers on sale of Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

(c) *ISA, SSAS and SIPP*

Other than pursuant to the Placing, Shares are eligible for inclusion in ISAs. Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder's annual limit (£20,000 for the tax year 2017-2018); but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Subject to the rules of the trustees of the SIPP or SSAS, the Shares are eligible for inclusion in a SIPP or SSAS provided, broadly, that the pension scheme member (or a connected person) does not occupy or use any residential property held by the Company and the SIPP or SSAS in question does not hold (directly or indirectly) more than 10 per cent. of any of the Shares or the Company's voting rights or rights to income or amounts on a distribution or rights to the assets on a winding up.

## PART 7

### FINANCIAL INFORMATION ON THE GROUP

#### 1 INCORPORATION OF FINANCIAL INFORMATION BY REFERENCE

The following is incorporated by reference into this Prospectus:

- (a) the Company's audited report and account for the 6 month financial period ended 31 December 2016 (the "**December 2016 Annual Report**");
- (b) the Company's audited report and account for the 12 month financial period ended 30 June 2016 (the "**June 2016 Annual Report**");
- (c) the Company's audited report and account for the period from incorporation to 30 June 2015 (the "**2015 Annual Report**"),

(together the "**Annual Reports**").

On 1 November 2016 the Company changed its financial year end from 30 June to 31 December and prepared an audited report and accounts for the shortened 6 month financial period ended 31 December 2016.

The financial statements in the Annual Reports were prepared in accordance with IFRS, the Companies Act and Article 4 of the IAS Regulations.

The financial statements in the Annual Reports were audited by the Auditor, BDO LLP, Chartered Accountants and Statutory Auditor, of 55 Baker Street, London W1 7EU. The Auditor's report was unqualified, did not include any references to any matters to which the Auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the Companies Act.

Save for the Financial Statements incorporated by reference in this Part 7, none of the information in this Prospectus has been audited. Unless otherwise indicated, all unaudited financial information relating to the Group contained in this Prospectus has been sourced, without material adjustment, from the internal accounting records of the Group on a basis consistent with the Company's accounting policies.

Where part only of a document is incorporated by reference into this Prospectus, those parts not so incorporated by reference are either not relevant for prospective investors or are covered elsewhere in this Prospectus.

Copies of the Annual Reports have been filed with the FCA. Copies of the Annual Reports may be obtained on the Company's website ([www.empiric.co.uk](http://www.empiric.co.uk)) or, free of charge, during normal business hours at the Company's registered offices (Swan House, 17-19 Stratford Place, London W1C 1BQ).

#### 2 CROSS REFERENCE TABLES

##### 2.1 *December 2016 Annual Report*

The audited consolidated financial statements of the Group for the shortened 6 month financial reporting period ended 31 December 2016, which have been incorporated in this Prospectus by reference, included the information specified in the tables below.

*Audited consolidated financial  
statements of the Group for  
the 6 month period ended  
31 December 2016*

<i>Nature of information</i>	<i>Page no(s)</i>
Group statement of Comprehensive Income	95
Group statement of Financial Position	96
Group statement of Changes in Equity	98
Group statement of Cash Flows	100
Notes to the Financial Statements	102-127
Report of the Independent Auditor	90-94
Chairman's Statement	6-8
Director's Report	85-87

*Selected financial information*

The key audited figures that summarise the Group's financial condition in respect of the shortened 6 month financial reporting period ended 31 December 2016 which have been extracted directly on a straightforward basis without material adjustment from the historical financial information, are set out in the following table:

	<i>As at or for the 6 month period ended 31 December 2016</i>
Total Assets (£'000)	802,609
Investments (£'000)	716,813
Total Assets less Current Liabilities (£'000)	770,331
Net Assets (£'000)	530,865
Net Asset Value per Share (basic) (sterling pence)	105.90
Earnings per Share (basic) (sterling pence)	3.38
Dividends per Share (sterling pence)	3.0

*Operating and financial review*

The published audited consolidated financial statements of the Group for the shortened 6 month financial reporting period ended 31 December 2016, which have been incorporated by reference into this Prospectus, include, on the pages specified in the table below, descriptions of the Group's financial condition (in both capital and revenue terms), details of the Group's investment activity and portfolio exposure, and changes in its financial condition for the 6 month period ended 31 December 2016:

*Audited consolidated financial  
statements of the Group  
for the 6 month period ended  
31 December 2016*

	<i>Page no(s)</i>
Chairman's statement	6-8
Our Business	10-11
Key Performance Indicators	14-15
Chief Executive Officer's Q&A	20-24
Chief Investment Officer's Portfolio Review	28-32
Chief Executive Officer's Operations Review	34-37
Financial Review	39-41

## 2.2 **June 2016 Annual Report**

The audited consolidated financial statements of the Group for the 12 month financial reporting period ended 30 June 2016, which have been incorporated in this Prospectus by reference, included the information specified in the tables below.

	<i>Audited consolidated financial statements of the Group for the 12 month period ended 30 June 2016</i>
<i>Nature of information</i>	<i>Page no(s)</i>
Group Statement of Comprehensive Income	82
Group Statement of Financial Position	83
Group Statement of Changes in Equity	85
Group Statement of Cash Flows	86
Notes to the Financial Statements	89-114
Report of the Independent Auditor	78-81
Chairman's Statement	6-7
Director's Report	73-75
Strategic Report	1-43
Report of the Audit Committee	57-59

### *Selected financial information*

The key audited figures that summarise the Group's financial condition in respect of the 12 month period ended 30 June 2016 which have been extracted directly on a straightforward basis without material adjustment from the historical financial information are set out in the following table:

	<i>As at or for the 12 month period ended 30 June 2016</i>
Total Assets (£'000)	702,082
Investments (£'000)	518,391
Total Assets less Current Liabilities (£'000)	672,954
Net Assets (£'000)	528,109
Net Asset Value per Share (basic) (sterling pence)	105.35
Earnings per Share (basic) (sterling pence)	7.29
Dividends per Share (sterling pence)	5.5

### *Operating and financial review*

The published audited consolidated financial statements of the Group for the 12 month period ended 30 June 2016, which have been incorporated by reference into this Prospectus, include, on the pages specified in the table below, descriptions of the Group's financial condition (in both capital and revenue terms), details of the Group's investment activity and portfolio exposure, and changes in its financial condition for the 12 month period ended 30 June 2016:

*Audited consolidated financial  
statements of the Group for  
the 12 month period ended  
30 June 2016  
Page no(s)*

Chairman's statement	6-7
Our Business Model and Strategy	8-9
Key Performance Indicators	10-11
Our Market – Our Customers	12-17
Chief Executive Officer's Q&A	18-23
Chief Investment Officer's Portfolio Review	25-29
Chief Financial Officer's Review	36-37

**2.3 June 2015 Annual Report**

The audited consolidated financial statements of the Group for the period from incorporation to 30 June 2015, which have been incorporated in this Prospectus by reference, included the information specified in the table.

*Audited consolidated financial  
statements of the Group for  
the period from incorporation to  
30 June 2015  
Page no(s)*

*Nature of information*

Consolidated statement of Comprehensive Income	66
Consolidated statement of Financial Position	67
Consolidated statement of Changes in Equity	69
Consolidated statement of Cash Flows	71
Notes to the Financial Statements	73-93
Report of the Independent Auditor	62-65
Chairman's Statement	2-3
Director's Report	58-60

*Selected financial information*

The key audited figures that summarise the Group's financial condition in respect of the period from the Company's incorporation to 30 June 2015 which have been extracted directly on a straightforward basis without material adjustment from the historical financial information are set out in the following table:

	<i>As at or for the period ended 30 June 2015</i>
Total Assets (£'000)	331,424
Investments (£'000)	248,153
Total Assets less Current Liabilities (£'000)	324,242
Net Assets (£'000)	240,395
Net Asset Value per Share (basic) (sterling pence)	103.21
Earnings per Share (basic) (sterling pence)	9.67
Dividends per Share (sterling pence)	3.00

*Operating and financial review*

The published audited consolidated financial statements of the Group for the period from the Company's incorporation to 30 June 2015, which have been incorporated by reference

into this Prospectus, include, on the pages specified in the table below, descriptions of the Group's financial condition (in both capital and revenue terms), details of the Group's investment activity and portfolio exposure, and changes in its financial condition for the period from the Company's incorporation to 30 June 2015:

	<i>Audited consolidated financial statements of the Group for the period from the Company's incorporation to 30 June 2015</i>	<i>Page no(s)</i>
Chairman's statement		2-3
Our Business Model		4-5
Chief Executive's Q&A		8-10
Chief Investment Officer's Market Update		12-13
Chief Financial Officer's Review		16-22
Key Performance Indicators		24

### **3 LIQUIDITY**

As at 31 December 2016, the Company's cash balance was £59.4 million. Apart from the Group's operating requirements for working capital, these funds are committed to financing the Group's portfolio of assets under development including the forward funded projects.

As at 30 April 2017, the Group had £320 million of committed debt financing in place of which £289 million is currently drawn representing a loan to value ratio of approximately 34 per cent., with a weighted average term to maturity of 7 years.

The Group, therefore, has sufficient funds to fulfil its current commitments. The Net Proceeds of the Issue and any undrawn debt facilities will be used to fund further acquisitions from the Company's identified pipeline.

**PART 8**  
**VALUATION REPORT**

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## Valuation Report

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<b>Report Date</b>	4 July 2017
<b>Addressee</b>	<p>Empiric Student Property plc (the "<b>Company</b>") Swan House 6th Floor 17-19 Stratford Place London W1C 1BQ</p> <p>Akur Limited 66 St James's Street London SW1A 1NE</p> <p>In their capacity as Joint Financial Adviser</p> <p>Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ</p> <p>In their capacity as Sponsor, Joint Financial Adviser and Sole Global Coordinator and Bookrunner</p> <p>(together the "<b>Addressees</b>")</p>
<b>The Properties</b>	The properties listed in the Schedule of Capital Values set out below (" <b>the Properties</b> ").
<b>Property Descriptions</b>	Student Accommodation
<b>Ownership Purpose</b>	Investment and development
<b>Instruction</b>	To value on the basis of Market Value the Properties as at the valuation date in accordance with the instructions of the Company dated 8 May 2017.
<b>Valuation Date</b>	30 April 2017
<b>Capacity of Valuer</b>	<p>External (as defined by the RICS Valuation Professional Standards).</p> <p>We confirm that CBRE Ltd has no financial interest in the Company.</p>
<b>Purpose of Valuation</b>	We are instructed to report to the Addressees our opinion as to the value of the Properties as at the Valuation Date for use in connection with the issuance of ordinary shares of £0.01 each in the capital of

the Company (the “**Shares**”), and the admission of the Shares to the premium listing segment of the Official List of the UK Listing Authority and to trading on London Stock Exchange plc’s Main Market for listed securities (the “**Transaction**”) and the Prospectus to be issued by the Company in connection with the Transaction (the “**Prospectus**”).

## Market Value

**£786,740,000 (SEVEN HUNDRED AND EIGHTY SIX MILLION, SEVEN HUNDRED AND FORTY THOUSAND POUNDS)**, exclusive of VAT, as shown in the Schedule of Capital Values set out below.

For the avoidance of doubt we have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

We can confirm that there are no negative values to report.

We have based our opinion of Market Value (as such term is defined under “Assumptions” below) on the assumption that under current legislation the properties would qualify for Multiple Dwellings Relief (MDR). As with all SDLT legislation, this could be subject to change.

Where a property is owned by way of a joint tenancy in a trust for sale, or through an indirect investment structure, our valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm’s length terms.

	Freehold	Long Leasehold	Part Leasehold/ Part Long Leasehold	Total
Investment				
Assets	£600,940,000	£82,995,000	£11,105,000	£695,040,000
Development				
Assets	£72,480,000	£19,220,000	£0	£91,700,000
Total	£673,420,000	£102,215,000	£11,105,000	£786,740,000

Development Assets included in the CBRE valuation as at the valuation date include The Frontage in Nottingham and 134 New Walk in Leicester. Although these assets have reached practical completion by the valuation date, CBRE valued them as properties in course of development as there were outstanding development liabilities.

CBRE valuation does not include Ocean Bowl in Falmouth, Princess Road and 140-146 New Walk in Leicester as these purchases of these assets have not been completed by the Company at the valuation date.

## ESMA 130 (vi)

The valuation of the Properties included in the Group's audited consolidated financial statements for the period ended 31 December 2016 was £721,345,000 (being £644,510,000 in relation to investment properties, £67,380,000 in relation to properties in the course of development and £9,455,000 in relation to one property held in a joint venture (Glasgow, Willowbank). The difference between the Market Value of the Properties at 30 April 2017 and the Market Value of the Properties in the Group's audited consolidated statements for the period ended 31 December 2016 is explained as follows:

Market Value as at 31 December 2016	£721,345,000
*Increase in Market Value in Properties held as at 31 December 2016	£38,505,000
Market Value of Additions since 31 December 2016, as at 30 April 2017	£26,890,000
Market Value as at 30 April 2017	£786,740,000

\*increase in Market Value due to capital investment in the development and forward funded assets, increase in the Net Valuation Income, lower one-off capital deductions and small yield compression.

## Report Format

This Valuation Report comprises of this Valuation Report, Schedule of Capital Values, Scope of Work & Source of Information, Valuation Assumptions and Part II Property Details.

## Compliance with Valuation Standards

The valuation has been prepared in accordance with the RICS Valuation – Professional Standards global January 2014 including the International Valuation Standards and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) ("**the Red Book**").

The valuations are compliant with the International Valuation Standards, and are in accordance with paragraphs 128 to 130 of the ESMA update of the Committee of European Securities Regulators' (CESR) recommendations for the consistent implication of the European Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive and Rule 5.6.5 of the Prospectus Rules.

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuations competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE Ltd ("**CBRE**"), we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

## Assumptions

The property details on which each valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

## Market Conditions – Brexit

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out above as of the valuation date. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

The valuations of the Company's properties were made as at 30 April 2017 and do not reflect any changes in the properties or market conditions since that date.

We have reflected in our valuation, as at the valuation date, our opinion of the investment market's perception of potential domestic and international demographic, economic and political trends and risks. Subsequent developments in such matters may impact on the market value of the properties in the future.

On 23 June 2016, a majority voted to exit the European Union ("EU"), a result known as "Brexit". There is considerable uncertainty as to the potential impact of Brexit and there is a wide divergence of views between financial, political and other commentators as to what Brexit might mean for the United Kingdom, its economy and UK businesses.

If students from the EU, EEA and Switzerland are treated like non-EU students, they would need to seek immigration permission to come to the UK. UK universities could also lawfully charge them higher tuition fees.

EU students currently pay the same rates as students from the relevant country. This means £9,000 per year in England, zero in Scotland and Wales benefiting from a non-repayable tuition fee grant of £5,810 towards fees of £9,000 per year. If they were treated like Non EU students, they could expect to pay fees of between £12,000 to £36,000 per year.

The impact of Brexit on student accommodation as an investment asset class is at present unknown. One of the factors affecting future demand for student housing will depend on a position of the post-election UK government on whether to include international students into the lower migration targets. In terms of the post-Brexit investment market we have observed the unaffected level of stock traded in 2016 and a healthy level of investment transactions so far in 2017 with demand for student assets stronger from foreign investors partly driven by a weaker post-Brexit Pound Sterling.

## Market Conditions – Residential Towers

On 14 June 2017, a fire at Grenfell Tower, a high-rise residential block in London, became out of control and largely destroyed the building. Tragically, at least 75 people lost their lives. A number of Inquiries have been commissioned to investigate the event, and it is likely that recommendations will be made as to the construction and management of similar properties.

In the light of this, we are aware that a number of owners of high-rise residential property are reviewing details of construction, health and safety – and particularly fire prevention, mitigation and means of escape. At this point it is too early to assess the longer-term consequences. In the short-term, however, it is likely that potential investors will be more cautious and the liquidity of high-rise properties could be impacted.

Guidance issued by the Department for Communities and Local Government on 20 June 2017 in the aftermath of the Grenfell Tower fire states that some types of cladding made of Aluminum Composite Material (ACM) are of particular concern and that landlords should carry out testing.

In the case of Brunswick House, Southampton, which is 12 storeys in height, the property benefits from a sprinkler system and the cladding is made of steel, not ACM, and the Company has confirmed that the insulation also meets current building regulation and fire standards.

Europa House, Portsmouth, which is 18 storeys in height, will also benefit from a sprinkler system on completion and the exterior is made of concrete not metal panels.

Both properties have met ABI standards for buildings insurance purposes, which are more stringent than the building regulations.

Although both of these properties meet current fire, building regulation and standards for buildings insurance, we would draw your attention to the possibility they may be subject to greater scrutiny from buyers in the event of a sale and take slightly longer to sell. There is therefore slightly greater uncertainty regarding the valuation figure than would normally be the case.

## Variation from Standard Assumptions

None.

## Valuer

The Properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book.

## Independence

The total fees, including the fee for this assignment, earned by CBRE (or other companies forming part of the same group of companies within the UK) from the Addressees (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.

## Disclosure

We have provided valuation advice to the Company in respect of the Properties owned by the Company since 31 July 2014 for accounts purposes.

We also provided valuations for Stock Exchange purposes as at 6 May 2014, and 29 October 2014, and 31 December 2015.

We have also provided valuations to Royal Bank of Scotland plc and Canada Life Limited, and Barings for lending purposes.

We also valued the Properties on acquisition.

## Conflicts of Interest

It is confirmed that CBRE has previously valued Willowbank, Glasgow and Brunswick House, Southampton for accounting purposes on behalf of Real Estate Venture Capital Management LLP. We do not consider that any conflict of interest arises for us in preparing the advice requested by the Company and the Company has confirmed this to us.

We confirm that we do not have any material interest in the Company or any of the Properties. Copies of our conflict of interest checks have been retained within the working papers.

## Student Housing as an Asset Class

Student accommodation is an income-driven property investment asset class. There are various letting models, including leases to universities, nomination agreements and lettings direct to students ('direct let') through an operator.

Approximately 8% of rooms in the operational properties in the 2016/2017 year are subject to some form of Nomination Agreement.

Schemes are managed by an operator, and rooms in the residences are marketed and let to students who pay rents directly to the operator.

Lettings during term time are usually between 40 and 51 weeks. The length of tenancy will depend upon local market dynamics. There is an opportunity to let rooms during the summer period where there is demand.

Costs of running the properties, including repair, maintenance, on-site staff, broadband, utilities, insurance, marketing and letting administration are borne by the landlord. In addition to the day to running costs, the operator will normally charge a management fee.

The success of direct let student accommodation schemes depends on location (proximity to campus locations, public transport, shops and bars and other locations of interest to students), specification, and the overall level of service provided on site.

Student accommodation has grown significantly in popularity as an investment asset class over the last 5 years, and is experiencing strong demand from investors in the current market conditions to its stable income producing potential and the opportunity to review the rents upward each year.

## Valuation Methodology

In valuing the properties, we have made key assumptions in respect of matters including, but not limited to, estimated rental values and

expected future rental revenues from the property and market-based yields. In respect of development properties additional assumptions include, but are not limited to, the development considered achievable, assumed timescales, assumed future development costs and appropriate finance rates and profit rates.

Such assumptions may prove in future to have been inaccurate, which could negatively affect the valuation of any of the properties.

To arrive at the Market Value of the student schemes we have derived the Market Rent by comparing the passing rent to comparable rental evidence and from this made an allowance for outgoings. We have then capitalised our estimate of net income using net initial yield based on comparable investment transactions, whilst also benchmarking the value per bedspace.

We have inputted our valuation into a ten year cashflow. After making assumptions to rental growth, cost inflation and exit yield we are able to arrive at an indicative IRR we have then used to further benchmark our valuation.

Further explanation of the valuation components is set out below:

#### **Term Time Rental Income**

We adopt the room mix (number of each type) from the originally provided floorplans and where amended we have relied on the information provided by the Company. We have reviewed and benchmarked against other market rents the proposed advertised rents as provided by the Company. We then apply the rents at which we believe the scheme will achieve full occupancy. Very often these rents are the advertised rents, but occasionally we apply rents which are more or less than these when compared to the wider market.

Our valuation model enables us to calculate the projected income for the next twelve months, weighted between academic years, which form the basis of our valuation.

Our rents for 2017/2018 have been provided by the Company and are based on the rents which are being advertised for the next academic year.

We reflect the tenancy lengths achieved at each property and also local market norms for the type of property.

We have assumed 97% to 98% occupancy as we are assuming rents at which the property will sell out.

Where relevant, we will reflect the terms of any Nomination Agreements for the relevant years in our cash flow.

### **Summer Income**

The majority of the subject properties are let on 51-weeks lettings; therefore there is little summer income potential. However, where relevant we reflect an element of summer income potential.

### **Additional Income**

We have included additional income derived from vending machines and the on-site launderette. Occasionally there may be other items such as parking spaces.

The term time rental income, summer income and additional income together form the **gross rental income**.

### **Market Rents**

We have estimated the Market Rents based on comparable rental evidence. We have applied the market rents taking into account the macro and micro characteristics such as location of the property within each town together the size and specification of each room type.

### **Management Costs**

We have adopted management costs which are in line with market levels, based on our knowledge and understanding of comparable properties. Overall our cost assumptions are within 8.5% of the total costs the Company has allocated to each asset.

We have also reviewed the budgeted costs provided to us by the Company prepared by the external operators and Hello Student, which is the Company's internal operating platform.

Where the Company budgets were 10% different (up or down) from our opinion of operational costs we have obtained clarification from the Company as to the reasons why. The reasons are mainly relating to unusually high management charges where there may be additional charges carried over from the previous manager, some unusually high utilities costs (including internet costs) which are a legacy from the vendors (these are being gradually replaced where possible), high staff costs where the overstaffing is due to there being a future pipeline of beds in the same city, and in some cases how the Company has allocated certain cost items to particular assets for accounting reasons.

Following the review, we were satisfied that the costs we have assumed in our valuation are a reasonable representation of what the market would assume in the event of a sale, considering the above points. The gross rental income minus the management costs are the net rental income.

### **Net Initial Yield**

The key yield driver in our valuations is the net initial yield. We apply the net initial yield derived from comparable transactions to the net rental income. We provide an IRR calculation on our cash flows for illustrative purposes but it is not a key driver.

### **Rent and Cost Inflation**

The student housing sector offers an annual opportunity for rental growth.

We model rental growth at 2-3.5 per cent per annum. Key considerations in the amount of rental growth applied are the current rental levels, the letting track record at the property, the amount of competing schemes nearby and the degree of supply in the town.

We typically model cost growth of 2 per cent to 3.5 per cent per annum. Cost growth may be higher than rental growth in some towns.

### **One-off Capital Deductions for Rental Shortfall**

Where the gross actual income provided to us by the Company from an asset was below our opinion of the Gross Market Rents for 2016/2017 our valuation reflects this income shortfall as a one-off deduction from the Market Value. This shortfall was time apportioned to reflect the remaining period of 2016/2017 academic year to which the shortfall applies.

### **One-off Capital Deductions for Capital Expenditure**

Where an operational asset is undergoing a partial refurbishment which involve capital expenditure and a loss of income due to part-closure, we have valued the asset based on its post refurbishment rental performance but deducted as a one-off capital deduction the capital expenditure outstanding at the valuation date to complete the refurbishment and an apportioned loss of income.

### **Exit Yields**

Exit is assumed at the end of the 10-year cash flow period. Our exit yield is typically 50 basis points higher than the net initial yield applied. The exit yield is applied to the projected rental income at the end of the cash flow. We apply purchaser's costs and agency fees to the exit value.

Our exit value is included within our cashflow to enable an IRR calculation to be made. The IRR is a useful tool to help further benchmark our valuation but it is less of a valuation driver than the net initial yield or the capital value per bedspace.

### **Purchaser's Costs**

We have made allowance in our valuations for purchaser's costs, based on the SDLT rates applicable to UK Real Estate, plus notional allowances for agents' and legal fees. Where appropriate, the SDLT rates adopted reflect Multiple Dwellings Relief.

### **Commercial Units**

Some of the schemes have ground floor commercial units. We value the units within our main valuation model using Excel. Typically we apply an appropriate net initial yield to the existing income.

Where a unit is vacant, we capitalise the rental value and allow for a letting void, rent free period and void costs.

### **Development Properties**

Properties held for Development or in the Course of Development have been valued on the Residual (Development Appraisal) Method.

This is the commonly practised method of valuing development property, whereby the estimated total costs of realising the proposed development (including construction costs, fees and other on-costs, contingencies, costs of finance and developer's profit) are deducted from the gross development value of the completed project to determine the residual land value.

Values derived from a Residual Development Appraisal calculation can be extremely sensitive to minor changes in any of the inputs. Whilst we have checked the information provided to us against available sources of information and provided for levels of profit which in our opinion reflect the levels of risk inherent in the projects, unforeseen events such as delays in timing, minor market movements etc. can have a disproportionate effect on the resulting value.

For the development sites, we have calculated the projected Gross Development Values (GDVs) as outlined above. We have allowed for rental growth between now and practical completion.

We have made a profit margin allowance from the GDVs. This is to reflect the fact that if the property were to be sold as a development in progress, a hypothetical purchaser would expect a discount from the stabilised price to reflect a range of factors such as the risk of contractor failure, late completion and letting risk. The quantum of the profit margin depends on the remaining time to completion, and whether the development is on schedule.

In the cases of the developments which are currently under construction (Nottingham, Glasgow, Exeter, Manchester, Portsmouth, Sheffield, York, Leicester, Birmingham and Stirling), we have deducted the outstanding development costs (taken from the cost trackers) from the GDV net of the profit margin.

## Reliance and Responsibility

This report has been prepared for inclusion in the Prospectus and may not be reproduced or used in connection with any other purposes without our prior consent.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive, consenting to its inclusion in the Registration Document.

For the purposes of Prospectus Rule 5.5.3R(2)(f), CBRE accepts responsibility for the information within this report and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Registration Document in compliance with Annex I item 1.2 of the Prospectus Directive.

## Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

Yours faithfully

**Michael Brodtman FRICS**  
**Executive Director**  
**RICS Registered Valuer**  
For and on behalf of CBRE Ltd

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**Jo Winchester FRICS**  
**Executive Director**  
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For and on behalf of CBRE Ltd

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Report Version: 2

## Schedule of Capital Values (Market Values)

### Assets Held as Investments

Town	Property	Freehold £	*Long Leasehold £	Total £
<b>RBS 1 Portfolio</b>				
Southampton	London Road	£3,010,000	£1,300,000	£4,310,000
Nottingham	Talbot Studios	£10,190,000		£10,190,000
Aberdeen	Centro Court	£6,450,000		£6,450,000
Birmingham	Edge Apartments	£11,130,000		£11,130,000
Birmingham	The Brook	£13,800,000		£13,800,000
Exeter	Picturehouse Apartments	£13,680,000		£13,680,000
Cardiff	Summit House	£10,760,000		£10,760,000
Bristol	College Green		£11,800,000	£11,800,000
Canterbury	Pavilion Court	£9,420,000		£9,420,000
Portsmouth	The Registry	£4,740,000		£4,740,000
Exeter	Bishop Blackall School	£8,250,000		£8,250,000
Portsmouth	Kingsway House	£3,210,000		£3,210,000
Portsmouth	Elm Grove Library	£1,160,000		£1,160,000
Leicester	The Shoe & Boot Factory	£8,860,000		£8,860,000
Leicester	The Hosiery Factory	£5,740,000		£5,740,000
<b>RBS 1 Portfolio Total</b>		<b>£110,400,00</b>	<b>£13,100,000</b>	<b>£123,500,000</b>
<b>RBS 2 Portfolio</b>				
Edinburgh	Buccleuch Street	£12,730,000		£12,730,000
Sheffield	Portobello House	£13,670,000		£13,670,000
Nottingham	Talbot Point	£7,100,000		£7,100,000
<b>RBS2 Portfolio Total</b>		<b>£33,500,000</b>	<b>£0</b>	<b>£33,500,000</b>

### Canada Life Portfolio 1

Leeds	St Mark's	£7,400,000	£7,400,000
Glasgow	Ballet School	£13,000,000	£13,000,000
Cardiff	Northgate House	£6,795,000	£6,795,000
London	Halsmere Studios	£17,410,000	£17,410,000
Leeds	Leeds Algernon	£8,740,000	£8,740,000
Hatfield	Curzon Point	£10,730,000	£10,730,000
Cardiff	Alwyn Court	£4,050,000	£4,050,000
Exeter	Dean Clarke Lofts	£4,925,000	£4,925,000
<b>Canada Life Portfolio Total</b>		<b>£57,395,000</b>	<b>£15,655,000</b> <b>£73,050,000</b>

### Canada Life Portfolio 2

Bath	1-3 James Street	£9,040,000	£9,040,000
Bath	James House	£29,110,000	£29,110,000
Cardiff	Windsor House	£41,660,000	£41,660,000
Newcastle	Metrovic House	£7,195,000	£7,195,000
<b>Canada Life Portfolio 2 Total</b>		<b>£87,005,000</b>	<b>£0</b> <b>£87,005,000</b>

### Barings (former Cornerstone) Portfolio 1

Lancaster	Cityblock 1	£2,095,000	£2,095,000
Lancaster	Cityblock 2	£5,985,000	£5,985,000
Lancaster	Cityblock 3	£8,360,000	£8,360,000
Leicester	Cityblock 1	£6,325,000	£6,325,000
Leicester	Cityblock 2	£5,220,000	£5,220,000
Durham	St Margaret's	£5,730,000	£5,730,000
Liverpool	Art School Lofts	£8,095,000	£8,095,000
Liverpool	Maple House	£12,500,000	£12,500,000
Liverpool	Chatham Lodge	£4,235,000	£4,235,000
Liverpool	Hayward House	£5,340,000	£5,340,000
Liverpool	The Octagon	£2,010,000	£2,010,000
Liverpool	Grove Street Studios	£2,570,000	£2,570,000
Stoke on Trent	Caledonia Mill	£5,830,000	£5,830,000
Huddersfield	Kingsmill	£9,460,000	£9,460,000
Falmouth	Maritime Studios	£12,360,000	£12,360,000
Glasgow	333 Bath Street	£8,190,000	£8,190,000
Exeter	Library Lofts	£8,020,000	£8,020,000
Bath	Widcombe Wharf	£4,580,000	£4,580,000
Bath	Piccadilly Place	£4,400,000	£4,400,000

Bath	Canal Bridge	£1,890,000	£1,890,000
St. Andrews	Ayton House	£25,920,000	£25,920,000
<b>Barings Portfolio 1 Total</b>		<b>£140,925,000</b>	<b>£8,190,000 £149,115,000</b>
<b>Barings Portfolio 2</b>			
Southampton	Brunswick House	£20,360,000	£20,360,000
Manchester	Victoria Point	£35,390,000	£35,390,000
Manchester	Ladybarn House	£10,660,000	£10,660,000
Oxford	Stonemason House	£4,840,000	£4,840,000
Leeds	Pennine House	£18,010,000	£18,010,000
<b>Barings Portfolio 2 Total</b>		<b>£43,210,000</b>	<b>£46,050,000 £89,260,000</b>
<b>AIB Portfolio</b>			
Huddersfield	Olgate House	£13,990,000	£13,990,000
Bristol	William & Matthew	£9,390,000	£9,390,000
<b>AIB Portfolio Total</b>		<b>£23,380,000</b>	<b>£0 £23,380,000</b>
<b>Other Investment Assets</b>			
Reading	Saxon Court	£13,440,000	£13,440,000
Glasgow	Willowbank	£19,040,000	£19,040,000
Newcastle	Claremont	£11,060,000	£11,060,000
Aberdeen	St Peter's Studios	£14,850,000	£14,850,000
Bath	Oolite Road (Rodway House)	£2,640,000	£2,640,000
Leicester	Bede Park	£4,450,000	£4,450,000
Leicester	136-138 New Walk	£2,880,000	£2,880,000
Leicester	160 Upper New Walk	£1,630,000	£1,630,000
Twickenham	Grosvenor Hall	£6,400,000	£6,400,000
London	Francis Gardener Hall	£11,310,000	£11,310,000
Exeter	ISCA Lofts	£4,990,000	£4,990,000
York	Foss Studios	£23,540,000	£23,540,000
<b>Other Operational Assets Portfolio Total</b>		<b>£116,230,000</b>	<b>£0 £116,230,000</b>
<b>Properties Held As Investments Total</b>		<b>£612,045,000</b>	<b>£82,995,000 £695,040,000</b>

## Development Assets

Town	Property	Freehold £	*Long Leasehold £	Total £
<b>AIB Portfolio (sites held in forward funding structures)</b>				
Nottingham	The Frontage	£18,040,000		£18,040,000
Glasgow	155 George Street	£7,960,000		£7,960,000
Exeter	Bonhay Road	£11,630,000		£11,630,000
<b>AIB Portfolio Total</b>		<b>£37,630,000</b>	<b>£0</b>	<b>£37,630,000</b>
<b>RBS Development Portfolio (sites held in forwarding structures)</b>				
Manchester	Baptist Church	£7,120,000		£7,120,000
Portsmouth	Europa House		£19,220,000	£19,220,000
<b>RBS Development Portfolio Total</b>		<b>£7,120,000</b>	<b>£19,220,000</b>	<b>£26,340,000</b>
<b>Other Forward Funding Assets (sites held in forward funding structures)</b>				
Sheffield	Trippet Lane	£3,830,000		£3,830,000
York	37 Lawrence Street	£5,270,000		£5,270,000
Leicester	134 New Walk	£1,170,000		£1,170,000
Birmingham	The Emporium	£5,670,000		£5,670,000
York	Percy's Lane	£1,800,000		£1,800,000
<b>Other Forward Funding Assets Total</b>		<b>£17,740,000</b>	<b>£0</b>	<b>£17,740,000</b>
<b>Directly Owned Sites</b>				
Sheffield	Provincial House	£8,440,000		£8,440,000
Stirling	Forthside	£1,550,000		£1,550,000
<b>AIB Portfolio Total</b>		<b>£9,990,000</b>	<b>£0</b>	<b>£9,990,000</b>
<b>Development Portfolio Total</b>		<b>£72,480,000</b>	<b>£19,220,000</b>	<b>£91,700,000</b>

## PORTFOLIO SUMMARY

### Schedule of Market Values according to tenure

Tenure	Freehold £	* Long Leasehold £	** Part Freehold/Part LLH £	Total £
Investment Properties	£600,940,000	£82,995,000	£11,105,000	£695,040,000
Properties in Course of Development	£72,480,000	£19,220,000	£0	£91,700,000
<b>Total</b>	<b>£673,420,000</b>	<b>£102,215,000</b>	<b>£11,105,000</b>	<b>£786,740,000</b>

\* more than 50 years unexpired

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## Scope of Work & Sources of Information

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### Introduction

An Assumption is defined in the Red Book Glossary and Appendix 3 to be a “supposition taken to be true” (an “Assumption”).

Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.

The Company has confirmed and we confirm that our Assumptions are correct as far as The Company and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.

For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.

### Sources of Information

We have carried out our work based upon the current, or proposed in the case of the development assets, room mix, at the properties and the quoting rents for 2017/2018 which we have assumed to be correct and comprehensive. We have verified this information as far as possible on the internet.

In the case of the commercial units, we have relied on the tenancy schedule provided by the Company, which we have assumed to be correct and comprehensive.

For the operational properties, the Company provided us with their operational budgets for 2016/2017 which we have reviewed. Where the budgets reflect unusual operational costs due to the operational schemes not yet fully stabilised after the acquisition by the Company, either because of unusually high expenditure inherited from vendors relating to utilities, site costs, insurance and technology costs, we have adopted operational costs which we considered the market would assume in the event of a sale. The adopted market-led operational costs could be higher or lower than the costs in the Company’s budgets. These costs are being currently lowered through efficient management and contract renegotiations.

We were provided by the Company with information relating to the current letting position of each scheme for 2016/2017 and letting level for 2017/2018 which we have reviewed.

For the development properties, we have reviewed operational budgets where available and the ‘cost trackers’ provided by the Company, which show the total development costs, costs spent to date and costs outstanding as at 30 April 2017.

Title and other legal information reflected in our valuation was as supplied to us by The Company’s lawyers at the time of acquisition, when CBRE Ltd has provided valuation advice, in each case.

### The Properties

Our report contains a brief summary of the property details on which our valuation has been based.

## **Inspections**

We have internally and externally inspected all of the properties between 9 October 2014 and 28 April 2017. The dates when each of the properties was last inspected is listed on the Schedule at Part II 'Property Details'.

## **Areas**

We have not measured the Properties but have relied upon the floor areas provided. Where floor areas have been provided for the retail units, these are either on a Gross Internal Basis or Net Internal Basis.

## **Environmental Matters**

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigations into the past or present uses of the Properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

## **Repair and Condition**

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.

During our inspection, no major defects or serious items of disrepair were noted which would be likely to give rise to a substantial capital expenditure in the foreseeable future or which fall outside the scope of the normal annual maintenance programme. Our valuation is on the basis that there were no defects, items of disrepair or other matters that would materially affect our valuation at the Valuation Date.

## **Town Planning**

We have not undertaken planning enquiries. We assume the properties comply with all relevant statutory requirements including fire and building regulations.

## **Titles, Tenures and Lettings**

Details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

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## Valuation Assumptions

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### Capital Values

Each valuation has been prepared on the basis of “Market Value”, which is defined as:

“The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The Properties have been valued in accordance with the relevant provisions of the Prospectus Rules issued by the Financial Conduct Authority and the ESMA update of the CESR recommendations for the consistent implementation of the Commission Regulation (EU) No. 809/2204 implementing the Prospectus Directive.

The valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation – nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

### Actual Net Rental Income 2016/2017

The Actual Net Rental Income for the period 1 October 2016 to 30 September 2017 represents the gross term time income receivable from the property as provided to us by the Company. In this income we have also included our estimate of vacation income and additional income streams and a passing income from commercial units. We calculate the Actual Net Rental Income by deduction of the operational costs based on the operational budgets provided to us by the Company.

### Net Valuation Income

We adopt a weighted rental valuation model in our valuation of the student assets held by the Company. In this model we capitalise the projected income for the forthcoming 12 months from the valuation date, for the period from 30 April 2017 to 29 April 2018. Therefore, for the valuation as at 30 April 2017 the income that we have capitalised is approximately based on five months from the 2016/2017 academic year and seven months from 2017/2018 academic year.

Our valuation model assumes that the tenancies commence on 30 September 2016. Therefore the Gross Valuation Income as at the valuation date is based on the student income from:

1 May 2017 – 29 September 2017 (2016/2017 gross rents and costs)

30 September 2017 and 30 April 2017 (2017/2018 gross rents and costs). From the Gross Valuation Income we have deducted market based operational costs which have also been weighted between the two academic years, as in the case of the Gross Valuation Income.

## Net Market Rents for 2017/2018

The Net Market Rent for the property is based on our opinion of a term time and assumed vacation gross rents for 1 October 2017 to 30 September 2018 derived from market comparables which we have adjusted for location, specification, and the level of service and facilities provided to the occupier. Market Rents also include additional income streams from a property and a passing commercial income. From the Gross Market Rent we have deducted our opinion of operational costs to calculate the Net Market Rents for 2017/2018.

## The Property

Items of plant and machinery normally considered as landlord's fixtures such as lifts, escalators, air conditioning, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuation.

Furthermore, a number of items that normally might be regarded as tenant's fixtures and fittings - such as trade appliances, furniture and equipment - as well as soft goods considered necessary to generate the turnover and profit, are included in our valuation of the Property. The vacant possession valuation assumes that Properties are available for sale including all fixtures and fittings. We understand that fixtures, machinery and equipment are either owned, leased or under contract. We have made no adjustment to reflect the net present value of meeting any existing lease contracts in respect of the equipment. Unless stated otherwise within this report, we have assumed that any such leasing costs are reflected in the trading figures supplied to us, and that all trade fixtures and fittings essential to the running of the Property as an operational entity would be capable of transfer as part of a sale of the building, and any necessary third party consents obtained.

All measurements, areas and ages quoted in our report are approximate.

## Environmental Matters

In the absence of any information to the contrary, we have assumed that:

- (a) the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law;
- (b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- (c) the Properties possess current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive, and that they have an energy efficient standard of 'E', or better. We would draw your attention to the fact that the Energy Act 2011 is due to come into force in England and Wales no later than 1 April 2018

(although it may be earlier), and in Scotland, no earlier than April 2015. From such date, it will be unlawful for landlords to rent out a residential or business premise unless they have reached a minimum energy efficient standard – most likely, 'E' – or carried out the maximum package of measures funded under the 'Green Deal' or the Energy Company Obligation (ECO); and

- (d) the Properties are either not subject to flooding risk or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the property. Our valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

## Repair and Condition

In the absence of any information to the contrary, we have assumed that:

- (a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
- (b) the Properties are free from rot, infestation, structural or latent defect;
- (c) no currently known deleterious or hazardous materials or suspect techniques have been used in the construction of, or subsequent alterations or additions to, the Properties; and
- (d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

## Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority requirements

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- (a) the Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
- (b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;

- (c) the Properties are not adversely affected by town planning or road proposals;
- (d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;
- (e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the Disability Discrimination Act 1995;
- (f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
- (g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- (h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;
- (i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- (j) where more than 50 per cent. of the floorspace of a property is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the property. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted;
- (k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;
- (l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
- (m) Stamp Duty Land Tax (SDLT) – or, in Scotland, Land and Buildings Transaction Tax (LABTT) – will apply at the rate currently applicable.

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## Part II Property Details

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REF NO.	ADDRESS	NOTES ON DESCRIPTION AND LOCATION	TENURE	AGE (OR CONVERSION DATE)	NO. BEDS	INCOME COMMENTS	ACTUAL NET INCOME 2016/2017 (Period 1.9.16-31.8.17)	NET VALUATION RENT AS AT 30 APRIL 2017 (Projected weighted rent 30.4.17 to 29.4.18)	NET MARKET RENT 2017/2018 (projected 1.9.17 to 31.8.18)	TOTAL MARKET VALUE ALL USES
<b>OPERATIONAL ASSETS</b>										
	<b>RBS 1 PORTFOLIO</b>									
1	SOUTHAMPTON, London Road Apartments, 40A-42B London Road, SO15 2AG	The scheme provides a 46-bedroom residence arranged in self-contained studios and twodios. The property occupies first to third floors above two retail units (which are held under separate titles). The scheme was opened in 2012 offering 34 beds and in 2014 was extended to offer an additional 12 studios (8 studios and 2 twodios). Located in Southampton city centre, 0.5 miles from the main shopping centre, Southampton Solent University and University of Southampton campuses are located 0.4 miles to the south east and 1.9 miles to the north of the property, respectively. The property is in a very good location for students attending Southampton Solent University. The scheme is located close to Brunswick House, also owned by the Company. Date of last inspection: 9 March 2016.	Part Freehold/ Part Leasehold	2012 and 2014	46	The scheme is 85% let. One-off capital deduction made from the Market Value to reflect a rental shortfall.	£173,799	£264,386	£261,338	£4,310,000
2	NOTTINGHAM, Talbot Studios, 116-120 Talbot Street, NG1 5GP	The property provides 98 self-contained studios located within a modern 46 storey building and adjacent Grade II listed refurbished period three-storey building (10 studios) detached building. The buildings share a courtyard. The scheme was completed in 2012. Located in Nottingham city centre close to amenities. The scheme is ideally located 0.3 miles from the main Nottingham Trent City campus and 4.3 miles north east of Clifton campus. The main University of Nottingham campus is situated 1.9 miles to the south west of the scheme. The scheme is located across the road from 95 Talbot Street, also owned by the Company. Date of last inspection: 27 June 2016.	Freehold	2012	98	The achieved rents are lower than CBRE's opinion of Market Rents for the scheme for 2016/2017. ESP operational costs are higher than CBRE market led adapted operational costs. ESP costs for the current period reflect higher staffing costs to operate The Frontage which is opening for 2017/2018 but which was not delivered by the developer for 2016/2017 as planned.	£415,632	£602,495	£602,900	£10,190,000

3	ABERDEEN, Centro Court, 87 Loch Street, AB25 1DH	The property consists of a 5 storey purpose built student accommodation scheme which was completed in 2013. It has been finished to a high specification and provides 56 self-contained studios as well as good quality communal space. Located in Aberdeen city centre and close to the city's amenities and main retail parades on George Street and Union Street. The scheme is located 1.5 miles south of the main University of Aberdeen campus and 3 miles north east of the Robert Gordon University campus. Date of last inspection: 17 March 2016.	Freehold	2013	56	The property is 32% let for 2016/2017. CBRE deducted a one-off capital deduction from the Market Value to reflect this income shortfall. ESP budget costs for the current period reflect additional staffing costs to take over running the scheme after the contact with a local operator has been terminated.	£47,647	£415,362	£369,356	£6,450,000
4	BIRMINGHAM, Edge Apartments, 520 Bristol Road, B29	The property reached Practical Completion in August 2014 and consists of a purpose built student accommodation scheme providing 64 single studios and 13 en-suite rooms within cluster flats. There are two ground floor retail units, both are currently let. The property is located in Selly Oak, 3 miles south of Birmingham city centre. The University of Birmingham's main campus is located 400m to the north of the scheme. The surrounding area is dominated by the university and the property sits on Selly Oak's high street providing amenities. The scheme is located close to The Brook, also owned by the Company. Date of last inspection: 21 April 2017.	Freehold	2014	77		£643,957	£657,304	£665,457	£11,130,000
5	BIRMINGHAM, The Brook, 536 Bristol Road, B29 6BD	A purpose built student accommodation scheme which was constructed in the mid-2000s. The scheme was refurbished by the Company in 2015/2016. There are a total of 106 self-contained studios. A ground floor retail unit has been sold off on a lease expiring on 11 October 2010 at a peppercorn rent. Located in Selly Oak, 3 miles south of Birmingham city centre. The University of Birmingham's main campus is located 400m to the north of the scheme. The surrounding area is dominated by the university and Selly Oak's high street providing amenities. The scheme is located close to Edge Apartments, also owned by the Company. Date of last inspection: 21 April 2017.	Freehold	Mid-2000s	106		£800,392	£822,889	£829,709	£13,800,000

6	EXETER, Picturehouse Apartments, Sidwell Street, EX4 6PL	A purpose built student accommodation scheme with a ground floor retail unit completed in 2014. The student accommodation provides 74 studios and 28 en-suite bedrooms in cluster flats. The ground floor retail unit is fully let to Tesco Stores Ltd. Located in Exeter city centre close to the main shopping district and amenities. The main University of Exeter campus is located 0.8 miles north west of the property. The property is in a good location for student accommodation. Date of last inspection: 1 September 2016.	Freehold	2014	102		£762,421	£796,420	£806,849	£13,680,000
7	CARDIFF, Summit House, 9-10 Windsor Place and 9 Park Place, CF10 3BS	A student accommodation scheme with a ground floor retail unit. The building was constructed in the 1970s and the upper floors were converted to student accommodation in 2012. A new purpose built extension was also constructed to the rear. The student accommodation provides 65 studios and 22 two bedroom apartments let directly to students. The ground floor retail unit is fully let to a local tenant. Located in Cardiff city centre, close to amenities. Cardiff University campus is located 0.3 miles north west and University of South Wales Cardiff campus is 0.5 miles south of the property. Cardiff Metropolitan University campus is 2.2 miles to the north west. The property is in a prime location for student accommodation. Date of last inspection: 13 March 2015.	Freehold	1970s (2012)	87	The scheme is 85% let for 2016/2017. CBRE deducted a one-off capital deduction from the Market Value to reflect this income shortfall.	£519,157	£647,710	£642,938	£10,760,000
8	BRISTOL, 38A-43 College Green, BS1 5SH	A student accommodation scheme with three ground floor retail units. Originally an office block constructed in the 1950s. The upper floors were converted to student accommodation in 2011 to provide 48 two bedrooms and 36 single studios. The three ground floor units are fully let to WM Morrison and two local tenants. The property is held on a 150 year ground lease commencing 26 August 2010. Located within Bristol city centre, 0.6 miles south west of the main shopping centre and city centre. The main Bristol University and University of West England campuses are situated 0.4 miles north and 4.5 miles north east of the property, respectively. The property is in a prime location for student accommodation. Date of last inspection: 9 April 2015.	Leasehold	1950s (2011)	84		£680,009	£712,761	£719,178	£11,800,000
9	CANTERBURY, Pavilion Court, 27 St. Dunstons St, CT2 8BT	The property consists of a student accommodation scheme and a ground floor retail unit let to Sainsbury's Supermarkets Limited. The scheme was constructed in 2011 and comprises 79 bedspaces. The majority of student accommodation is in 2, 3 and 4 bedroom cluster flats. Approximately 15% of the bedspaces in the scheme are non-ensuite. There is no communal area at the scheme. The scheme is well located just outside the wall of Canterbury historic city centre. The property has good access to university campuses including the University of Kent, situated to the north, within a 25 minute walk (1.4 miles) and the Canterbury Christ Church University is situated 1.2 miles to the south. Date of last inspection: 23 June 2016.	Freehold	2011	79		£492,193	£589,299	£586,028	£9,420,000

10	PORTSMOUTH, The Registry, 1-2 St Michael Road, PO1 2EE	A former Land Registry building converted into a student housing scheme in 2015. It provides 41 studios. Located in the city centre, within the main University of Portsmouth campus and surrounded by university buildings. The property is in a prime location for student accommodation in Portsmouth. The scheme is 0.6 miles to the east of Gunwharf Quays Designer Outlet and associated amenities. Date of last inspection: 16 June 2015.	Freehold	late-1800s (2015)	41	ESP budget for 2016/2017 shows high compliance costs for the current period to resolve legacy compliance issues from the Vendor.	£216,938	£304,336	£305,429	£4,740,000
11	EXETER, Bishop Blackall School, Pennsylvania Road, EX4 6BP	The property is located to the north of the city centre in St James area of Exeter. The scheme provides 113 beds in 22 flats within a converted Victorian school, which became operational as a student housing scheme in 2011. The accommodation is non en-suite. The property is well located close to the University and city centre within the main student HMO area. St James is convenient for both campuses of Exeter University. Streatham Campus (main campus) is located 8 minutes' walk (0.4 mile) to the north and St Luke's campus 17 minutes' walk (0.8 miles) to the south east. Date of last inspection: 1 September 2016.	Freehold	2011	113		£510,609	£506,592	£508,302	£8,250,000
12	PORTSMOUTH, Kingsway House, 130 Elm Grove, PO5 1LR	Kingsway House offers 52 non en-suite bedspaces across ten 3 to 7 bed flats. We understand the property was converted from an office to student accommodation in 2014. The property is located to the south of Portsmouth city centre in Southsea. The scheme sits on a busy street with several shops, pubs, bars and restaurants, as well as three metro style convenience stores in walking distance. The main campus for the University of Portsmouth is located approximately 15 minutes' walk west of the property or an eight minute bus ride away. The area is a proven area for HMO accommodation. The property is also close to the popular Albert Road area for bars and restaurants. Date of last inspection: 30 August 2016.	Freehold	2014	52		£223,093	£206,277	£206,242	£3,210,000
13	PORTSMOUTH, Elm Grove Library, 155 Elm Grove, PO5 1LR	Elm Grove Library provides 19 non en-suite bedspaces across five 3 to 5 bed flats. The accommodation is split across two buildings and the property was converted to student accommodation in 2012. Elm Grove Library is located to the south of Portsmouth city centre in Southsea. The scheme sits on a busy street with several shops, pubs, bars and restaurants, as well as three convenience stores in walking distance. The main campus for the University of Portsmouth is located approximately 15 minutes' walk west of the property or an eight minute bus ride away. Date of last inspection: 30 August 2016.	Freehold	2012	19		£80,805	£74,616	£74,333	£1,160,000

14	LEICESTER, The Shoe and Boot Factory, 39-41 Welford Road, LE2 7AD	The property consists of 173 non-ensuite rooms arranged in 34 cluster flats, ranging in size from 4 to 8 beds in each flat. The property is in a part converted and part new purpose built development, located in a prime area of the city centre for student accommodation. The property fronts Welford Road which is a busy road leading out of the city centre. The area is a mixed use area with a number of local retailers and office occupiers in the immediate vicinity. There is a Bannaynes Gym and a NCP multi storey car park opposite the property. The property is located approximately 300m from De Montfort University campus. The property is also located 1.1 km (0.6 miles) to the north of the University of Leicester main campus. Date of last inspection: 1 September 2016.	Freehold	2014	173	£582,373	£555,543	£578,007	£8,860,000
15	LEICESTER, The Hosiery Factory, 31 Lower Brown Street, LE1 5TH	The property provides is in a part converted and part new purpose built development providing 107 non-ensuite beds. The 107 beds are arranged in 21 cluster flats ranging in size from 3 to 9 beds in each flat. The property is located in a prime area of the city centre for student accommodation on Lower Brown Street. The area is a mixed use area with a number of local retailers and office occupiers in the immediate vicinity. The property is located approximately 300m from De Montfort University campus, and 1.1 km (0.6 miles) to the north of the University of Leicester main campus. Date of last inspection: 1 September 2016.	Freehold	2015	107	£390,373	£366,883	£370,950	£5,740,000
<b>RBS 2 PORTFOLIO</b>									
16	EDINBURGH, former Odeon Cinema Site, Buccleuch Street, EH8 9JH	The scheme provides 66 studios and 20 ensuite rooms. Located to the south of Edinburgh city centre, on the edge of the University of Edinburgh campus within a well established student location. The property is in a prime location for student accommodation in Edinburgh. ESP is reconfiguring communal areas and there will be 2 extra studios for 2017/18. Date of last inspection: 6 February 2017.	Freehold	2016	86	£679,721	£720,633	£740,971	£12,730,000
17	SHEFFIELD, 145-147 Portobello Street, S1 4DX	A former office building which was redeveloped to provide 134 studios. Located in the north west of Sheffield city centre and close to amenities. The property is located opposite the University of Sheffield campus and 0.5 miles east of the Students' Union. Sheffield Hallam University's City campus is located 0.6 miles south east of the scheme. The property is in a prime location for student accommodation in Sheffield. Date of last inspection: 12 April 2017.	Freehold	2016 (1980s)	134	£739,543	£815,014	£826,074	£13,670,000

18	<p>NOTTINGHAM, Talbot Point, 95 Talbot Street, NG1 5GN</p>	<p>The site was recently redeveloped in 2016 to provide 48 studios, 29 en-suite rooms in cluster flats and two retail units. Located to the west of Nottingham city centre (0.4 miles). The scheme is 0.3 miles from the main Nottingham Trent City campus and 4.1 miles north east of Clifton campus. The main University of Nottingham campus is situated 1.9 miles to the south west of the scheme. The property is in a very good location for students at Nottingham Trent University. The scheme is located across the road from Talbot Studios which is also owned by the Company. Date of last inspection: 7 October 2016.</p>	Freehold	2016	77	<p>First year of operation. Scheme 100% let. Achieved rents below CBRE's opinion of Market Rents for the scheme. ESP budget costs are above the market led operational costs adopted in the valuation. ESP costs for the current period reflect higher staffing costs to operate. The Frontage which is opening in Nottingham for the 2017/2018 academic year, but which was not delivered by the developer for 2016/2017 as planned.</p>	£315,635	£419,451	£425,039	£7,100,000
19	<p>CANADA LIFE PORTFOLIO 1 LEEDS, St Mark's Studios, Shay Street, LS6 2QJ</p>	<p>A purpose built student housing scheme providing larger size studios only. No communal area. Located in Woodhouse, a residential area popular with students, 0.9 miles north of Leeds city centre. The main University of Leeds and Leeds Beckett University campuses are located 0.3 and 0.6 miles south of the scheme, respectively. The main attractions, such as Trinity Leeds shopping centre are located 1.1 miles to the south. Date of last inspection: 13 October 2016.</p>	Freehold	2009	85		£413,839	£440,220	£448,288	£7,400,000

20	GLASGOW, The Ballet School, West Prince's Street, G4 9EE	Originally home to the Scottish Ballet, the property was converted in 2013. The scheme comprises three separate student accommodation blocks around a landscaped central courtyard. All studios. Located in a well-established student area 1.0 mile north west of Glasgow city centre. The University of Glasgow campus is located 0.4 miles west of the scheme. Glasgow Caledonian University and the University of Strathclyde campuses are located slightly further from the scheme 1.0 and 1.4 miles to the south east, respectively. The property is in a good location for the University of Glasgow students. The scheme is adjacent to Willowbank, which is also owned by the Company. Date of last inspection: 6 February 2017.	Freehold	Early 1900s (2013)	103	Block A is not let for the current period. CBRE have made a one-off capital deduction to reflect the loss of rental income. ESP costs which CBRE considers are above the market costs adopted in the valuation reflect additional staffing for a new scheme which ESP is opening in Glasgow for the 2017/2018 academic year.	£293,354	£834,554	£823,513	£13,000,000
21	CARDIFF, Northgate House, Kingsway, CF10 3FD	A student accommodation scheme with two retail units on the ground floor and the lower ground floor. Originally a 1970s office block converted in 2014/2015. The scheme comprises 67 bedspaces (48 studios and 19 en-suite room in 3 and 4-bedroom cluster flats). One retail unit on the ground floor is subject to a long lease at a peppercorn rent and the lower ground unit is let to a local covenant. Located in the heart of Cardiff city centre overlooking Cardiff Castle, 60m from Queen Street, which is one of the main shopping precincts. The scheme is well located for the main campus of the Cardiff University (0.2 miles) and Metropolitan University campus is 2.0 miles to the north west. The property is in a prime location for student accommodation. Date of last inspection: 13 March 2015.	Freehold	1980s (2014/2015)	67		£401,567	£415,501	£421,799	£6,795,000
22	LONDON, Halsmere Studios, Halsmere Road, SE5 9LN	The scheme comprises all studios within two detached buildings. Majority of studios were recently refurbished by the Company. Located in Camberwell, south east London, within the London Borough of Lambeth within a predominantly residential area. Several London universities are easily accessible from the property: Kings College London, Denmark Hill campus is 1.0 mile to the south east; University of the Arts London, Camberwell College of Arts is 1.3 miles to the east; University of London, Goldsmiths University of London is 3.6 miles to the south east; and London South Bank University is located 2.5 miles north. Central London is located 3.7 miles from the scheme with the closest underground station, Oval, situated 1.0 mile from the property. Date of last inspection: 16 December 2014.	Freehold	1930s and 2000s	79	ESP budget for 2016/2017 shows unusually high staffing costs. CBRE deducted as a one-off capital deduction a rental shortfall between the Market Rents and the actual income for the period.	£757,224	£921,545	£933,075	£17,410,000

23	LEEDS, Algemon Firth, Thornsby place, LS1 3EX	A Grade II listed building, which is considered to be one of the most remarkable interwar buildings in Leeds. Originally part of the Infirmary the building was converted in 2014. It provides 26 studios and 85 ensuite room is cluster flats. Located in the city centre and adjacent to Leeds General Infirmary. The University of Leeds School of Medicine is 0.4 miles from the property, on the hospital site. The main campuses of University of Leeds and Leeds Beckett University are located 0.4 miles to the north and north east of the property. Date of last inspection: 13 October 2016.	Freehold	1930s (2014)	111	£515,804	£512,187	£515,921	£8,740,000
24	HATFIELD, Curzon Point, The Common, Herts AL10 0LU	Purpose built with a retail unit on the ground floor which is let as a take away shop. Accommodation in two blocks providing 3 studios and 113 ensuite room in cluster flats. Located in Hatfield town centre close to its associated shops, restaurants, a large supermarket and take away units. The University of Hertfordshire has two university campuses, both accessible by foot from the scheme and located 0.7 and 0.9 miles from the property. The Galleria outlet shopping centre is located 0.5 miles to the west of the property. Date of last inspection: 9 October 2014.	Leasehold	2013	116	£576,971	£638,111	£649,738	£10,730,000
25	CARDIFF, Alwyn Court, Cranbrook Street, CF24 4BF	The property comprises a student housing scheme of 51 bedspaces (24 studios and 27 beds in 3 and 4 bed cluster flats). The property was new for September 2012. Located in Cathays, which is an area dominated by Cardiff University, close to amenities of the city centre. Cardiff University's main campus is ideally located 0.2 miles to the west of the property. The University of South Wales is located 0.6 miles south of the property and Cardiff Metropolitan University is located 2.3 miles to the north west. Date of last inspection: 13 March 2015.	Freehold	2012	51	£232,847	£243,798	£246,865	£4,050,000
26	EXETER, Dean Clarke Lofts, Southernhay Gardens, EX1 1PQ	Previously part of a hospital the building was converted in 2012 to provide 30 spacious studios and a ground floor restaurant, which is let. Property is Grade II listed. The property is located towards the south of Exeter city centre close to Exeter Cathedral and the main high street. The University of Exeter campus is 1.1 miles north of the property. Date of last inspection: 7 November 2014.	Leasehold	1742 (2012)	30	£277,204	£300,126	£303,851	£4,925,000

CANADA LIFE PORTFOLIO 2										
27	BATH, The Exchange, 1-3 James Street West, BA1 1BS	The subject site is located in Bath city centre, approximately 1.6 miles from the University of Bath campus and approximately 4.1 miles from Bath Spa University's campus. Regular university bus services run from stops close to the property. The property is in close proximity to Bath's city centre amenities including nightlife areas popular with students and Bath Spa station. The Bath College campus is also very close by. The scheme comprises a total of 78 en-suite bedspaces within cluster flats of 4, 5 and 6 bedrooms. In addition there is a reception, communal laundry and cycle storage facilities and internal (non-accessible) courtyard space. The scheme reached practical completion in December 2016. Date of last inspection: 28 April 2017.	Freehold	2016	78		£499,698	£498,948	£504,205	£9,040,000
28	BATH, James House, James Street West, BA1 2BT	The property is well-located close to the amenities of Bath City Centre, within a 10 minute walk to Bath Spa railway station, and a wide range of shops, bars and restaurants. Comprises 169 student bedspaces (28 bedrooms within shared-kitchen townhouses and 141 self-contained studios) with ancillary facilities. Located approximately two miles from the University of Bath's main campus and approximately four miles from Bath Spa University's main campus. There is currently a 5 year Nominations Agreement in place until September 2021 with the University of Bath. Date of last inspection: 28 April 2017.	Freehold	2016	169		£1,549,738	£1,556,362	£1,564,352	£29,110,000
29	CARDIFF, Windsor House, Windsor Lane, CF10 3DE	The property provides 314 bedspace student accommodation scheme (264 studio bedspaces and 50 two-dio bedspaces) with ancillary facilities including a private onsite cinema room, gym, games room, club lounge, study and reading rooms. The property is situated in the heart of Cardiff City Centre, near to a wide selection of shops, bars and restaurants. Cardiff University and the University of South Wales' Cardiff campus are both within comfortable walking distance (approximately 5 minutes' walk) of the property. Cardiff Metropolitan University's Llandaff campus is located outside of the City Centre, approximately three miles away, however less than a 30 minute bus ride away. Date of last inspection: 31 August 2016.	Freehold	2016	314		£2,415,204	£2,362,094	£2,356,687	£41,660,000

30	NEWCASTLE, Metrovic House, Northumberland Road, NE1 8JE	The property is a former office building with ground floor retail, which became vacant in August 2014. The property comprises 63 studio bedspaces, located in Newcastle City Centre, in between the Northumbria University and Newcastle University campuses. The scheme provides some communal space on ground floor. Located near to the bars, restaurants and shopping areas in the City Centre, and well located in relation to public transport links including metro, rail station and buses. Date of last inspection: 20 July 2015.	Freehold	2016	63	The scheme is 78% let at rents lower than the Market Rents. Asset is 100% let for 2017/2018 at CBRE Market Rents. CBRE made a one-off capital deduction to reflect the current income shortfall.	£61,660	£457,174	£458,855	£7,195,000
	<b>BARINGS (FORMER CORNERSTONE) PORTFOLIO 1</b>									
	<b>City Block</b>									
31	LANCASTER, Cityblock 1, 77-81 Penny Street, LA1 1XN	The property comprises a single block constructed in 2003, which provides 30 en-suite bedrooms arranged over four upper floors. There is a single retail unit at ground floor level which is currently vacant. The property is located in Lancaster city centre alongside several restaurants and the main retail pitch. The University of Cumbria is located 0.6 miles south east of the property. The University of Lancaster campus is located 2.5 miles south of the property. Date of last inspection: 20 April 2017	Freehold	2003	30	ESP budget costs are above CBRE's opinion of the marketled operational costs adopted in the valuation.	£977,56	£135,160	£135,992	£2,095,000
32	LANCASTER, Cityblock 2, 99-101 Penny Street, LA1 1 XA	The property provides 52 en-suite cluster rooms and 25 studios. In addition the property provides two retail units fronting Penny Street, both of them let. Located in Lancaster city centre adjacent to CityBlock 3 and close to amenities. The University of Cumbria is located 0.5 miles south east of the property. The University of Lancaster campus is located 2.5 miles south of the property. The property is marginally closer to the university campuses than CityBlock 1 but slightly further from the city centre. Date of last inspection: 20 April 2017.	Freehold	2004	77		£375,122	£370,670	£370,140	£5,985,000
33	LANCASTER, Cityblock 3, 102 Penny Street, LA1 1XN	A purpose built student accommodation scheme with a ground floor retail unit let to Sainbury's. The accommodation is arranged in cluster flats of 15 beds per flat on the first, second and third floors; whilst the fourth floor has cluster flat of 12 beds. In addition there are 10 studio rooms. To the rear, there are four townhouses with six beds and one townhouse with nine beds. Located in Lancaster city centre adjacent to CityBlock 2 and close to amenities. The University of Cumbria is located 0.5 miles south east of the property. The University of Lancaster campus is located 2.5 miles south of the property. The property is 100m south of CityBlock 1 and marginally closer the university by further from the city centre. Date of last inspection: 20 April 2017.	Freehold	2012	100		£518,655	£515,138	£513,440	£8,360,000

34	LEICESTER, Cityblock 1, 21-24 Careys Close, LE15 1NS	CityBlock 1 comprises 91 en suite cluster bedrooms and 7 studios, which are arranged over ground and six upper floors. The properties are situated side by side within Leicester city centre, close to the Highcross Shopping centre and amenities. The scheme is located 0.3 miles north of De Montfort University campus and 1 mile north west of the University of Leicester campus. Date of last inspection: 13 February 2015.	Freehold	2009	98	£415,227	£413,321	£415,737	£6,325,000
35	LEICESTER, Cityblock 2, 21-25 Carey Street, LE15 1NS	CityBlock 2 provides a total of 76 beds comprising 65 en-suite cluster bedrooms arranged over first to fifth floor. There is a nine bedroom cluster flat at first floor and fourteen bed clusters at floors second to fifth. The sixth floor comprises 11 studios. There are two retail units at ground floor level both with a frontage onto Peacock Street. Both units are let. The properties are situated side by side within Leicester city centre, close to the Highcross Shopping centre and amenities. The scheme is located 0.3 miles north of De Montfort University campus and 1 mile north west of the University of Leicester campus. Date of last inspection: 13 February 2015.	Freehold	2010	76	£312,677	£338,696	£340,522	£5,220,000
36	DURHAM, St Margarets Flats, Crossgate, DH1 4DS	Originally a purpose built scheme developed by the University. The property comprises non-ensuite rooms arranged mainly in five-bed cluster flats. Located in Durham city centre. Surrounding use is predominantly residential with many terraced houses occupied by students. The main Durham University campus is located 0.9 miles south of the property. Several colleges are located between 0.6 miles and 1.1 miles to the east of the scheme. The property is in a good location for student accommodation. Date of last inspection: 9 March 2015.	Freehold	1994	109	£265,778	£373,857	£376,679	£5,730,000
37	<b>Urban Sleep</b> LIVERPOOL, Arts School Lofts, 2A Myrtle Street, L7 7DP	Previously part of an Art School, the building is Grade II listed. It was converted to provide 64 bedspaces, including 60 studios. There are two retail units, both are let, and ground floor offices which are currently unlet. Located in prime location for student housing in Liverpool, on the edge of the Liverpool University campus. Liverpool John Moores University are situated 0.2 miles north and north west of the scheme. Liverpool Institute of Performing Arts is located 0.3 miles south west of the scheme and Liverpool Hope University is located 3.5 miles to the east. The scheme is adjacent to Maple House, also owned by the Company. Date of last inspection: 30 April 2015.	Freehold	1888 (2012)	64	£341,312	£530,448	£542,321	£8,095,000

38	LIVERPOOL, Maple House, Caledonia Street, L7 7DX	Purpose built in 2012 to provide 9 studios and 138 en-suite rooms. There are three retail units, all let (Co-op convenience store, Cafe Nero and Greggs). Located in prime location for student housing in Liverpool, on the edge of the Liverpool University campus. Liverpool John Moores University are situated 0.2 miles north and north west of the scheme. Liverpool Institute of Performing Arts is located 0.3 miles south west of the scheme and Liverpool Hope University is located 3.5 miles to the east. The scheme is adjacent to Arts School Lofts, also owned by the Company. Date of last inspection: 30 April 2015.	Freehold	2012	147	ESP budget costs are above CBRE's opinion of marketled operational costs adopted in the valuation. A one-off capital deduction from the Market Value reflecting a rental income shortfall between CBRE's opinion of Market Rents and achieved rents by ESP has been applied. ESP budget includes costs to be reclaimed from the Vendor.	£653,723	£786,407	£810,283	£12,500,000
39	LIVERPOOL, Chatham Lodge 24 Myrtle Street, L7 7DP	Purpose built in 2010 to provide 50 beds, including 3 studios. One retail unit is let to Tesco Stores Ltd. Located in a prime location for student housing in Liverpool, on the edge of the Liverpool University campus and in the south eastern edge of the city centre. Liverpool John Moores University are situated 0.2 miles north and north west of the scheme. Liverpool Institute of Performing Arts is located 0.3 miles south west of the scheme and Liverpool Hope University is located 3.5 miles to the east. The scheme located within a short walk from Maple House, owned by the Company. Date of last inspection: 30 April 2015.	Freehold	2010	50	ESP budget costs are above CBRE's opinion of marketled operational costs adopted in the valuation. ESP budget includes costs to be reclaimed from the Vendor.	£190,625	£271,547	£280,390	£4,235,000
40	LIVERPOOL, Hayward House, 117 Grove Street, L7 7AD	Purpose built in 2013 comprising 74 bedspaces; 8 studios and 22 3-bed clusters. Located in a prime location for student housing in Liverpool, on the edge of the Liverpool University campus and in the south eastern edge of the city centre. Liverpool John Moores University are situated 0.2 miles north and north west of the scheme. Liverpool Institute of Performing Arts is located 0.3 miles south west of the scheme and Liverpool Hope University is located 3.5 miles to the east. The property is adjacent to The Octagon, also owned by the Company. Date of last inspection: 30 April 2015.	Freehold	2013	74	ESP budget costs are above CBRE's opinion of marketled operational costs adopted in the valuation. A one-off capital deduction from the Market Value reflecting a rental income shortfall between CBRE's opinion of Market Rents and achieved rents by ESP has been applied. ESP budget includes costs to be reclaimed from the Vendor.	£308,427	£332,484	£335,733	£5,340,000

41	LIVERPOOL, The Octagon, 117 Grove Street, L7 7AD	A Grade II listed building converted in 2013 into 17 studios and one 2-bedroom flat. Located in a prime location for student housing in Liverpool, on the edge of the Liverpool University campus and in the south eastern edge of the city centre. Liverpool John Moores University are situated 0.2 miles north and north west of the scheme. Liverpool Institute of Performing Arts is located 0.3 miles south west of the scheme and Liverpool Hope University is located 3.5 miles to the east. The property is adjacent to Hayward House, also owned by the Company. Date of last inspection: 30 April 2015.	Freehold	1880s (2013)	19	ESP budget costs are above CBRE's opinion of marketted operational costs adopted in the valuation. ESP budget includes costs to be reclaimed from the Vendor.	£94,057	£127,285	£129,065	£2,010,000
42	LIVERPOOL, Grove Street Studios, Grove Street, L7 7BA	A 1960s residential block converted into a student housing scheme in 2011. Comprises 20 studios and four 2-bed flats (non-ensuite rooms). Planning permission in place to extend for an additional 12 bedspaces. The property is located on the south eastern edge of the city centre, known as Edgehill, 1.2 miles from the main shopping centre and city centre attractions. The University of Liverpool and Liverpool John Moores University are situated 0.3 miles north and 0.6 miles north west of the scheme, respectively. Liverpool Institute of Performing Arts is located 0.6 miles west of the scheme and Liverpool Hope University is located 3.2 miles to the east. The scheme is located a short walk from The Octagon and Hayward House, which are also owned by the Company. Date of last inspection: 30 April 2015.	Freehold	mid-1960s (2011)	28	ESP budget costs are above CBRE's opinion of marketted operational costs adopted in the valuation. ESP budget includes costs to be reclaimed from the Vendor.	£78,854	£163,629	£163,558	£2,570,000
43	STOKE-ON-TRENT, Caledonia Mills, Caledonia Road, ST4 2DN	The scheme comprises 6 studios and 114 en-suite rooms in cluster flats. There is a central courtyard. Located 1.0 mile north of Stoke city centre in a mainly residential area. The main University of Staffordshire Stoke campus is 0.5 miles south east of the property and the University of Keele campus is 3.5 miles to the west. The Potteries Shopping Centre in Hanley is 1.2 miles north of the scheme. Date of last inspection: 30 April 2015.	Freehold	2011	120	ESP budget costs are above CBRE's opinion of marketted operational costs adopted in the valuation. A one-off capital deduction from the Market Value reflecting a rental income shortfall between CBRE's opinion of Market Rents and achieved rents by ESP has been applied.	£287,762	£367,661	£370,444	£5,830,000

44	HUDDERSFIELD, Kingsmill Studios, King's Mill Lane, HD13AU	The scheme was purpose built in 2015 and comprises 98 bedspaces in 90 studios and four 2-bed apartments. Located to the south east of the city centre, 0.4 miles from the main retail pitch. The scheme is located 0.2 miles to the south of the University of Huddersfield campus. The property is in a prime location for student accommodation in Huddersfield. Date of last inspection: 13 October 2016.	Freehold	2015	98	ESP budget costs are above CBRE's opinion of marketled operational costs adopted in the valuation.	£501,613	£593,444	£595,470	£9,460,000
45	FALMOUTH, Maritime Studios, Pennenden Rise, TR11 4FB	A purpose built six-storey building provides 146 studios. Five studios are held on long leases by private investors. All studios have balconies. Attractive refurbished communal area on the top floor with sea views. The property is located 0.7 miles east of Falmouth town centre and its amenities. The scheme is adjacent to Falmouth Dock train station which provides direct connection to the Penryn Campus located 4.0 miles to the north west. The Falmouth University Woodlane campus is located 1.0 mile. There is a Nomination Agreement to University of Falmouth until 30 August 2019 for 141 studios. The remaining units are let on direct let basis. Date of last inspection: 23 July 2015.	Freehold	2008	141	ESP budget costs are above CBRE's opinion of marketled operational costs adopted in the valuation.	£655,798	£774,802	£783,022	£12,360,000
46	GLASGOW, 333 Bath Street, G2 4E4	A former office building converted into a student housing scheme in 2015. It provides 70 studios. Located between the West End and city centre of Glasgow. The scheme is located between the various universities in Glasgow; the University of Glasgow is located 1.0 mile to the north west and Glasgow School of Art, Royal Conservatoire of Scotland, Glasgow Caledonian University and the University of Strathclyde are located 0.2 miles, 0.5 miles, 0.8 miles and 0.9 miles to the east, respectively. George Square and the main Buchanan Shopping Centre are located 0.8 miles east of the property. The property has undergone a limited refurbishment of the communal areas on the ground floor. Date of last inspection: 6 February 2017.	Leasehold	1980s (2015)	70	ESP budget costs are above CBRE's opinion of marketled operational costs adopted in the valuation. They include additional staffing costs due to ESP opening a new scheme in the city for the 2017/2018 academic year. A one-off capital deduction from the Market Value has been applied to reflect a rental income shortfall between CBRE's opinion of Market Rents and those rents achieved by ESP.	£393,831	£508,054	£501,785	£8,190,000

47	EXETER, Library Lofts, Casile Street, EX4 3PU	A former Exeter City Library built in 1931, it was converted in 2015 to provide 61 bedspaces; 27 studios and 17 2-bedroom flats. There is a ground floor office currently let to a local covenant. Located in Exeter city centre, close to Exeter Castle and 110m from the main high street and associated retail and leisure amenities. The University of Exeter is 0.7 miles north of the scheme. The property is in a prime location for student accommodation in Exeter. Date of last inspection: 4 February 2016.	Freehold	1930 (2015)	61	ESP budget costs are above CBRE's opinion of the marketted operational costs adopted in the valuation.	£434,698	£494,694	£506,724	£8,020,000
	<b>ISEIS Portfolio</b>									
48	BATH, Widcombe Wharf, Widcombe Hill, BA2 6AA	Constructed in 2014 the scheme provides 5 flats of 8 en-suite rooms. The ground floor retail unit was sold off on a long leasehold at peppercorn. Located close to the city centre and 0.4 miles from the main shopping district. The University of Bath is located 1.2 miles to the east of the property and Bath Spa University is located 4.2 miles to the west. The property is in a good location for student accommodation. The scheme is adjacent to Canal Bridge student accommodation scheme also owned by the Company. Date of last inspection: 7 September 2015.	Freehold	2014	40	Lease to University of Bath. ESP budget costs are above CBRE's opinion of marketted operational costs adopted in the valuation. ESP carried out one-off repairs.	£185,712	£254,359	£257,040	£4,580,000
49	BATH, Piccadilly Place, London Road, BA1 6PL	The scheme provides 47 bedspaces in 11 cluster flats of non-ensuite rooms. Located to the north of Bath city centre, 1.2 miles from the main shopping district. The University of Bath is located 1.7 miles to the south east of the scheme and Bath Spa University is located 4.7 miles to the west. The scheme is located very close to Nordland College. Date of last inspection: 28 April 2017	Freehold	2012	47	Lease to University of Bath. ESP budget cost are above CBRE opinion of marketted operational costs adopted in the valuation. ESP carried out one-off repairs.	£150,317	£250,220	£252,884	£4,400,000
50	BATH, Canal Bridge, Widcombe Wharf, BA2 6AA	Constructed in 2012 it provides 20 beds in 5 shared bathroom cluster flats. Located in Bath city centre, 0.4 miles from the main shopping district. The property is adjacent to Widcombe Wharf student accommodation scheme also owned by the Company. The University of Bath is located 1.2 miles to the east of the property and Bath Spa University is located 4.7 miles to the west. The property is in a good location for student accommodation in Bath. Date of last inspection: 28 April 2017	Freehold	2012	20	Lease to University of Bath. ESP budget cost are above CBRE opinion of marketted operational costs adopted in the valuation. ESP carried out one-off repairs.	£29,854	£107,509	£108,650	£1,890,000

51	ST ANDREWS, Aylton House, Abbey Walk, KY16 9BF	The scheme provides 127 studios and 114 ensuite rooms. The property is located to the south east of St Andrews town centre, 0.3 miles from the main retail and leisure amenities. The coast and beach are located 0.2 miles to the east. The University of St Andrews is located 0.5 miles to the north of the property. Date of last inspection: 2 December 2015.	Freehold	2015	233	The scheme is not fully let for the current period. Limited refurbishment is taking place. CBRE has applied a one-off capital deduction from the Market Value to reflect the rental income shortfall for the current period. CBRE valued the asset based on the stabilised position as at 2017/2018 and the scheme totalling 233 bedspaces.	£845,621	£1,505,229	£1,500,968	£25,920,000
<b>BARINGS PORTFOLIO II</b>										
52	SOUTHAMPTON, Brunswick House, SO15 2AP (JV)	Originally a 13 storey 1970s office block with four retail units on the ground floor. Converted in 2015 it provides 140 studios and 33 ensuite rooms in 15 cluster flats. One retail unit is let to a local tenant, remaining three units are vacant on the market to let. They potentially could be let as one. Additionally, there is a telecom income from Cable & Wireless. Located in Southampton city centre, 0.3 miles north of the main shopping centre and amenities. Southampton Solent University is located 0.2 miles to the south east of the scheme and the main University of Southampton campus is located 2.0 miles to the north. The property is in a prime student accommodation location for Southampton Solent University students. Located close to London Road Apartments student accommodation scheme, also owned by the Company. Date of last inspection: 3 October 2016.	Freehold	1980s (2015)	173	The scheme is 90% let for the current period. CBRE has applied a one-off capital deduction from the Market Value to reflect the rental income shortfall for the current period.	£1,104,176	£1,312,168	£1,307,911	£20,360,000
53	MANCHESTER, Victoria Point, 44 Hathersage Road, M13 0FT	The property is located on Hathersage Road to the southeast of Manchester city centre, within easy walking distance of the main university campuses along Oxford Road. Victoria Point comprises 6 detached blocks of accommodation. Post refurbishment of Block 5 in 2017/2018, Victoria Point will provide a total of 566 bedspaces. Property includes 184 surface and underground car parking spaces. Victoria Point is situated less than 15 minutes' walk from Oxford Road along which the main campuses of all three main universities (University of Manchester, Manchester Metropolitan University and the Royal Northern College of Music) are located. For 2016/2017 Block 5 is closed and undergoing refurbishment and conversion to studios. Block 3 and 4 will be closed for 2017/2018 for refurbishment. Blocks 1 and 2 were refurbished by the company in Summer 2016. Date of last inspection: 20 April 2017.	Leasehold	2008	566	Block 5 is not let for the current period due to the refurbishment which is due to complete for the 2017/2018 academic year. CBRE has applied a one-off capital deduction from the Market Value to reflect the rental income shortfall for the current period.	£1,346,845	£2,869,757	£2,862,087	£35,390,000

54	MANCHESTER, Ladybarn House, 2 Moseley Road, Fallowfield, M14 6ND	Ladybarn House comprises 117 direct let student bedrooms (64 en-suites, 46 studios, 6 x a bed apartments and a duplex 'penhouse' apartment) refurbished in 2012. The property comprises six retail units (occupied by four tenants) and there are 14 on-site car parking spaces. The subject property occupies a prominent position being situated at the junction of Moseley Road and Wilmslow Road. Carril Drive runs to the rear, forming an island site. The University of Manchester's Fallowfield campus is situated on the opposite side of Moseley Road. There are several bars and restaurants in close proximity and a Tesco Express on the opposite side of Wilmslow Road. The property was subject to refurbishment in 2012. Date of last inspection: 20 April 2017.	Leasehold	1994	117	Reduction in Market Rents from the current period.	£747,842	£683,286	£710,057	£10,660,000
55	OXFORD, Stonemason House, 144 Magdalen Road, OX4 1RL	The property comprises 44 bedrooms, split across 8 en-suite cluster flat units, comprising 4, 5, 6 and 7 bedrooms. The specification has been completed to a high standard. The scheme is located along Magdalen Road south of the city centre, approximately 1 mile from the main Oxford Brookes campus and approximately 2 miles from the various University of Oxford city centre campuses. There are regular direct bus services to both university campuses from bus stops in close proximity to the subject site. The local area is considered to be an established and much sought after location for student housing. The current lease in place to St Cross College was extended to the end of 2017/2018 academic year. Date of last inspection: 21 April 2017	Freehold	2011	44	In 2017/2018 ESP has agreed a one-year's renewal to the lease to St Cross College (University of Oxford) at a higher rent.	£216,398	£254,666	£263,774	£4,840,000
56	LEEDS, Pennine House, Russell Street, LS1 5RN	Pennine House comprises a converted office building providing a total of 127 bedrooms consisting of 111 studios and 8 two bedroom apartments. The property was converted in 2014 and the common rooms were subject to a substantial refurbishment in March 2016. The basement and ground floor includes a restaurant currently trading as Gusto Restaurant and Bar. Pennine House is situated between Russell Street and Greek Street, in the main financial district of Leeds City Centre. Greek Street is an established leisure pitch and includes a number of competing restaurant operators. The property is not located in an established student area. The property is located within easy walking distance of the main campuses both of The University of Leeds (0.8 miles, approximately 15 minutes' walk) and Leeds Beckett University (0.5 miles, approximately 10 minutes' walk). Date of last inspection: 13 October 2016.	Freehold	2014	127	ESP's budget costs are above CBRE's opinion of the market-led operational costs adopted in the valuation.	£1,041,360	£1,131,058	£1,141,407	£18,010,000



61	NEWCASTLE, Claremont Place, Claremont Road, NE2 4AA	The property comprises a terrace of 8 period townhouses constructed in the mid to early 1800s. The property was previously used by the University of Newcastle as laboratories and offices. Formerly a University of Newcastle faculty building and is located within the main campus. The University of Northumbria is approximately 0.5 miles to the south east, approximately 10 minutes' walk away. In addition, Newcastle College, which is situated 1.5 mile to the south, provides higher education degrees to approximately 3,000 students. The property is just over 1 mile south of Newcastle Central main railway station. Located within walking distance (approximately 700 metres) to the City Centre and the Eldon Square Shopping Centre, which sit to the south east of the property. Date of last inspection: 30 January 2015.	Freehold	2015	88	ESP budget for the current period reflects low operational costs as the property is not fully let. ESP benefits from a rental guarantee for the current period from the Vendor.	£787,861	£693,682	£683,964	£11,060,000
62	ABERDEEN, St Peter Studios, 34-36 St Peter's Street, AB24 3HQ	The scheme provides a total of 123 studios and is located to the north of Aberdeen city centre and 0.7 miles from the city centre amenities. The University of Aberdeen is located 0.5 miles to the north of the scheme. Date of last inspection: 17 March 2016.	Freehold	2016	123	The scheme is 57% let for the current period. CBRE has applied a oneoff capital deduction from the Market Value to reflect the rental income shortfall for the current period. ESP's budget for the current period reflects higher operational costs due to high staffing level in preparation to migrate the staff to Centro Court, Aberdeen where the current management contract with a local operator has been terminated.	£185,883	£934,425	£930,300	£14,850,000
63	BATH, Oolite Road, BA2 2UU	Oolite Road completed in April 2016, offering 31 en-suite bedspaces across four-to six-bed cluster flats and is completed to a good standard. The scheme is subject to a Nominations Agreement with the University of Bath for a term of five years. There are no purpose built student schemes in close proximity. Located approximately 3.5 miles from University of Bath's main campus and approximately 4 miles from Bath Spa University's main campus. Date of last inspection: 16 June 2016.	Freehold	2016	31	Lease to University of Bath. ESP budget costs are above CBRE's opinion of the marketted operational costs adopted in the valuation.	£138,292	£184,957	£186,319	£2,640,000

Zone Portfolio	Freehold	2012	59	£317,070	£283,291	£290,270	£4,450,000
<p><b>64</b></p> <p>LEICESTER, Bede Park, 72-74 Western Road, LE3 0GH</p> <p>The property is a converted student accommodation scheme developed in 2012 providing 59 bedrooms in 10 en-suite two-bedroom flats and 49 studios. The scheme provides very good student communal areas, considering the size of the scheme. The property includes a management office (currently used by Zone) and a convenience store let to Co-op. The scheme is located to the west of the city centre within a short (4 minutes) walk from De Montfort University city campus and a bus ride or 30 minutes' walk from the University of Leicester. Bede Park is well located for the local and city centre amenities. The immediate area is popular with students renting within PRS. Date of last inspection: 18 April 2016.</p>	Freehold	2012	59	£317,070	£283,291	£290,270	£4,450,000
<p><b>65</b></p> <p>LEICESTER, 136 - 138 New Walk, LE1 7JL</p> <p>The property is a converted student accommodation scheme developed for 2015/2016 within a late Victorian residential property providing 17 spacious studios. The scheme provides limited common areas such as a small gym, cinema room and a laundry room. The scheme is located within Victorian terrace which, although historically mainly in residential use, are now occupied by the University's offices and other commercial uses as well as residential flats. Leicester University Campus is located within a short walk from the properties and the DMU campus is a bus ride away or 2.5 minutes' walk to the west. Date of last inspection: 18 April 2016.</p>	Freehold	2013	30	£144,789	£183,251	£193,542	£2,880,000
<p><b>66</b></p> <p>LEICESTER, 160 Upper New Walk, LE1 7GA</p> <p>The property comprises a refurbished and converted late Victorian residential property currently providing 30 studios, a small cinema room, gym and a laundry room. The scheme is well specified and provides spacious studios some benefiting from balconies. The scheme was opened in September 2013. The scheme is located within Victorian terrace which, although historically mainly in residential use, are now occupied by the University's offices and other commercial uses as well as residential flats. Leicester University Campus is located within a short walk from the properties and the DMU campus is a bus ride away or 2.5 minutes' walk to the west. Date of last inspection: 18 April 2016.</p>	Freehold	2015	17	£78,218	£104,579	£105,778	£1,630,000

<b>Prospectus Portfolio</b>										
<b>67</b>	TWICKENHAM, Grosvenor Hall, 69 - 71 Grosvenor Road, Twickenham, TW1 4AD	The property is located in Twickenham town centre in Greater south west London. Contains 72 student bedrooms arranged within 12 cluster flats and one studio/twin room within a 1960s five-storey office to student housing conversion. The property is currently subject to part direct lets and a Nominations Agreement with LAL Language Centres. The property is located approximately one mile from St Mary's University's main campus which is circa 10 - 15 minutes' walk. The property is situated in TfL travel zone five and around 30 minutes from London Waterloo. Date of last inspection: 29 July 2016.	Freehold	1993	72	ESP budget costs are above CBRE's opinion of the market-led operational costs adopted in the valuation.	£307,926	£412,183	£418,082	£6,400,000
<b>68</b>	LONDON, Francis Gardener Hall, 88-91 West End Lane, West Hampstead, NW6 4SY	Francis Gardener Hall is a conversion scheme originally built in the 1890s with further works completed in the 1950s and 2000s. The scheme is located to the north west of Central London in Zone 2. The property offers 70 beds across 19 cluster flats. The majority of rooms are en-suite with a small proportion of non en-suite rooms, where there is a dedicated but separate bathroom. Communal facilities include a private dining room with kitchen and lounge area, cinema room, gym and games facilities. The property is completed to a basic specification. Date of last inspection: 15 July 2016.	Freehold	1890s (and since refurbished)	70	CBRE have applied reduced Market Rents for the academic year 2017/2018 but lower operational costs to reflect that the scheme will be run on a directlet basis without current third party management agreement in place.	£663,733	£582,512	£619,177	£11,310,000
<b>69</b>	EXETER, ISCA Lofts, Longbrook Street, EX4 6AW	ISCA Lofts was converted from a warehouse in 2008 and provides a total of 71 beds broken down as en-suite, studio rooms and a one bedroom apartment. The accommodation is direct let and provides an average specification. The building also includes a ground floor A1/A2 retail unit that has been sold off on a long leasehold basis from June 2009. Well located in the city centre, just 0.7 miles (12 minutes' walk) from the University of Exeter's main campus and Exeter College's main campus. Date of last inspection: 15 July 2016.	Freehold	2008	71	ESP's budgeted costs for the current period reflects cost of repairs at the property which CBRE have assumed explicitly in the valuation as a capital deduction from the Market Value.	£310,353	£347,446	£353,120	£4,990,000
<b>70</b>	YORK, Foss Studios, 32 Lawrence Street, YO10 3DU	The property comprises 220 studio beds, completed for the 2015/16 academic year. The property is well located just outside the York City Walls and within walking distance to the University of York (12 minutes) and York St John University (20 minutes). The scheme is primarily direct let; however there is a nomination agreement in place for 2016/17 to the University of York for 80 studios. Date of last inspection: 6 December 2016.	Freehold	2015	220		£1,291,881	£1,379,307	£1,398,935	£23,540,000
<b>SUB TOTAL (OPERATIONAL ASSETS)</b>							<b>£35,243,265</b>	<b>£42,690,000</b>	<b>£42,977,000</b>	<b>£695,040,000</b>

**SITES HELD IN FORWARD FUNDING STRUCTURES (DEVELOPMENT ASSETS)**

AIB Portfolio												
71	<p>NOTTINGHAM, The Frontage, Queen Street, NG1 2BL</p> <p>Previously an 1980s office building behind a listed facade with three leisure/restaurant units on the ground floor, which are all let to restaurant operators. Development completed in April 2017. Previously an office building behind listed facade. The student housing scheme will provide 142 studios and 10 two-dios. There will be extensive communal areas on the lower ground floor. Located in the very heart of Nottingham city centre, adjacent to Old Market Square. Nottingham Trent University City campus is located around the city centre, with the main buildings located 0.1 miles to the north of the property. The property is in a prime location for student accommodation in Nottingham. The property is also located in a good retail pitch. Date of last inspection: 27 June 2016.</p>	Freehold	2016 (1980s behind a listed 1890s façade)	162	NA	£1,292,401	£1,292,401	£1,292,401	£18,040,000			
72	<p>GLASGOW, George Street Apartments, 155 George Street, G1 1RD</p> <p>The property is located close to the city centre, on the edge of the University of Strathclyde campus. It is approximately a 10 minute walk from the Glasgow Caledonian University main campus, and the University of Glasgow is approximately 20 minutes away via SPT subway. Contractors are currently on site to implement the planning permission for 89 bedspaces (comprising 87 studios and two 2 bed en-suite rooms) with associated amenity space and facilities. Practical completion expected 2017, with scheme due to open for academic year 2017/18. Date of last inspection: 6 February 2017.</p>	Freehold	2017	89	NA	£637,603	£637,603	£637,603	£7,960,000			
73	<p>EXETER, Bonhay Road, EX4 4GB</p> <p>The site is currently undergoing construction to develop a 150 bedspace scheme, consisting of 30 studios and 120 bedspaces in en-suite townhouses for two, three or six people sharing. Located north of Exeter city centre 0.7 miles from the main restaurant, retail and leisure offering. The University of Exeter is located 0.7 miles north east of the property. Date of last inspection: 1 September 2016.</p>	Freehold	2017	150	NA	£921,564	£921,564	£921,564	£11,630,000			



78	LEICESTER, 134 New Walk, LE1 7JA	The property is a period building previously used as an office. The site was granted a planning permission in August 2016 for the development of 16 studios. Works are currently underway on site and practical completion date is set for 2017/18 academic year. The core city centre area is approximately 900 metres to the north via New Walk and a pedestrian bridge over the railway line. In terms of nearby Universities, the site is located to the north of the Leicester University campus (approximately 0.2 miles/10 minutes walk) and to the east of De Montfort University Campus (0.7 mile, 15 minutes' walk). Date of last inspection: 18 April 2016.	Freehold	2017	16	NA	£103,946	£103,946	£1,170,000
79	BIRMINGHAM, The Emporium, 9-12 Bartholomew Row and 7-12 Bartholomew Row/Fox Street, B5 5JU	Existing property comprises derelict dwelling houses and a lighting factory. Proposed development will involve significant refurbishment to the Grade II listed building and a 15 storey tower extension to provide a 185 bed purpose built student scheme, two commercial units and a bar for which planning consent has been granted. The site is well located for Birmingham City University, which is located next door to the property and Aston University which is a seven minute walk to the north of the scheme. Practical completion date expected for 2018/19 academic year. Date of last inspection: 21 April 2017.	Freehold	2018	185	NA	£1,255,746	£1,255,746	£5,670,000
80	YORK, Percy's Lane, Former Herbert Todd & Son, YO1 9TP	Once developed the property will comprise a total of 106 student bedspaces with a mixture of studios, one bed flats and en-suite cluster accommodation. The property will also have a common area, cinema room and a gym. The development will comprise two separate buildings which are expected to be completed in time for the 2018/19 academic year. The site is also well located in terms of Universities, as the University of York is located a mile to the south east of the site and York St John University is just under a mile walk to the north of the property. Date of last inspection: 13 October 2016.	Freehold	2018	106	NA	£648,771	£648,771	£1,800,000

81	Directly Owned Sites		Freehold	2018	107		NA	£808,829	£808,829	£8,440,000
	<p>SHEFFIELD, Provincial House, Solly Street, S1 4BA</p> <p>The site is located to the north of Sheffield city centre approximately 1.5 km (1 mile) north of the retail core. The site is near to the main University of Sheffield campus to the west. Sheffield Hallam University campus is located approximately 1.1 km (0.7 miles) south east of the subject property. The proposed part development/part conversion will provide 107 studio/1 bed apartments on completion, arranged across four individual properties. The 3 new structures will be steel and concrete framed with clad elevations. The existing building is Grade II listed and is currently a serviced office for multiple occupiers. Practical completion has been set for the 2018/19 academic year. Date of last inspection: 12 April 2017.</p>		Freehold	2018	208		NA	£1,152,812	£1,152,812	£1,550,000
	<p>STIRLING, Forthside, Forthside Way/Shore Road, Stirling</p> <p>The site occupies a riverside location approximately 5 minutes' walk from Stirling city centre and Stirling railway station. The site is within the Forthside Regeneration Area and in close proximity to a number of newly developed leisure and retail units. The University of Stirling campus is located approximately 3 miles outside of the city. Regular bus services run between the city centre and the university campus with journey times of approximately 15 minutes. Currently has planning permission for 208 bedspaces (comprising 121 studios and 87 beds within one, two or three bedroom flats). Practical completion date expected for 2018/19 academic year. Date of last inspection: 20 June 2015.</p>		Freehold	2018	208		NA	£1,152,812	£1,152,812	£1,550,000

<b>SUB TOTAL (DEVELOPMENT ASSETS)</b>					<b>1,530</b>		<b>N/A</b>	<b>£10,040,000</b>	<b>£10,040,000</b>	<b>£91,700,000</b>
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<b>TOTAL (ALL PROPERTIES)</b>					<b>8,356</b>		<b>35,243,265</b>	<b>£42,690,000</b>	<b>£53,017,000</b>	<b>£786,740,000</b>
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## PART 9

### GENERAL INFORMATION

#### 1 THE COMPANY

- 1.1 The Company was incorporated in England and Wales on 11 February 2014 with registered number 08886906 as a public company limited by shares under the Companies Act. The Company was incorporated with the name London Cornwall Student REIT plc and on 21 March 2014 changed its name to Empiric Student Property plc. The Company has an indefinite life.
- 1.2 The principal place of business and the registered office of the Company is Swan House, 17-19 Stratford Place, London W1C 1BQ with telephone number +44(0)20 3828 8700.
- 1.3 The principal legislation under which the Company operates is the Companies Act. The Company is not regulated as a collective investment scheme by the FCA. However, the Shares are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market. The Company and Shareholders are subject to the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules.
- 1.4 The Company's accounting period ends on 31 December of each year. The current accounting period will end on 31 December 2017. The annual report and accounts are prepared in Sterling according to the accounting standards laid out under IFRS and in accordance with EPRA's best practice recommendations.
- 1.5 On 30 April 2014, the Company was granted a certificate under Section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.6 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to Section 833 of the Companies Act.
- 1.7 As at 3 July 2017 (being the latest practicable date prior to publication of this Prospectus), the Group had 82 employees (including the Executive Directors). Details of the Company's interests in real property are contained in Part 2 of this Prospectus.

#### 2 THE GROUP

- 2.1 The Company is the holding company of the Group and has the following subsidiaries all of which are wholly-owned:

<i>Name</i>	<i>Principal activity</i>
Brunswick Contracting Limited	Development management company
Empiric (Alwyn Court) Limited	Property holding company
Empiric (Baptist Chapel) Limited	Property holding company
Empiric (Bath Canalside) Limited	Property holding company
Empiric (Bath James House) Limited	Property holding company
Empiric (Bath JSW) Limited	Property holding company
Empiric (Bath Piccadilly Place)	Property holding company
Empiric (Bath Oolite Road) Limited	Property holding company
Empiric (Birmingham Emporium) Limited	Property holding company
Empiric (Birmingham) Limited	Property holding company
Empiric (Bristol) Leasing Limited	Property leasing company

<i>Name</i>	<i>Principal activity</i>
Empiric (Bristol) Limited	Property holding company
Empiric (Bristol St Mary's) Limited	Property holding company
Empiric (Buccleuch Street) Limited	Property holding company
Empiric (Buccleuch Street) Leasing Limited	Property leasing company
Empiric (Canterbury Pavilion Court) Limited	Property holding company
Empiric (Canterbury Franciscans) Limited	Property holding company
Empiric (Cardiff Wndsr House) Limited	Property holding company
Empiric (Cardiff Wndsr House) Leasing Limited	Property leasing company
Empiric (Centro Court) Limited	Property holding company
Empiric (Claremont Newcastle) Limited	Property holding company
Empiric (College Green) Limited	Property holding company
Empiric (Developments) Limited	Development management company
Empiric (Durham St Margarets) Limited	Property holding company
Empiric (Edge Apartments) Limited	Property holding company
Empiric (Egham High Street) Limited	Property holding company
Empiric (Exeter Bishop Blackall School) Limited	Property holding company
Empiric (Exeter Bonhay Road) Limited	Property holding company
Empiric (Exeter Bonhay Road) Leasing Limited	Property leasing company
Empiric (Exeter City Service) Limited	Property holding company
Empiric (Exeter DCL) Limited	Property holding company
Empiric (Exeter Isca Lofts) Limited	Property holding company
Empiric (Exeter LL) Limited	Property holding company
Empiric (Falmouth Maritime Studios) Limited	Property holding company
Empiric (Falmouth Ocean Bowl) Limited	Property holding company
Empiric (Glasgow Ballet School) Limited	Property holding company
Empiric (Glasgow Bath St) Limited	Property holding company
Empiric (Glasgow George Square) Limited	Property holding company
Empiric (Glasgow George Square) Leasing Limited	Property leasing company
Empiric (Glasgow George St) Limited	Property holding company
Empiric (Glasgow George St) Leasing Limited	Property leasing company
Empiric (Glasgow Otago Street) Limited	Property holding company
Empiric (Glasgow) Limited	Property holding company
Empiric (Glasgow) Leasing Limited	Property leasing company
Empiric (Hatfield CP) Limited	Property holding company
Empiric (Huddersfield Oldgate House) Limited	Property holding company
Empiric (Huddersfield Oldgate House) Leasing Limited	Property leasing company
Empiric (Huddersfield Snow Island) Leasing Limited	Property leasing company
Empiric (Lancaster Penny Street 1) Limited	Property holding company
Empiric (Lancaster Penny Street 2) Limited	Property holding company
Empiric (Lancaster Penny Street 3) Limited	Property holding company
Empiric (Leeds Algernon) Limited	Property holding company
Empiric (Leeds Cookridge) Limited	Property holding company
Empiric (Leeds Mary Morris) Limited	Property holding company
Empiric (Leeds Pennine House) Limited	Property holding company
Empiric (Leeds St Marks) Limited	Property holding company

<i>Name</i>	<i>Principal activity</i>
Empiric (Leicester 134 New Walk) Limited	Property holding company
Empiric (Leicester 136-138 New Walk) Limited	Property holding company
Empiric (Leicester 140-142 New Walk) Limited	Property holding company
Empiric (Leicester 160 Upper New Walk) Limited	Property holding company
Empiric (Leicester Bede Park) Limited	Property holding company
Empiric (Leicester De Montfort Square) Limited	Property holding company
Empiric (Leicester Hosiery Factory) Limited	Property holding company
Empiric (Leicester Peacock Lane) Limited	Property holding company
Empiric (Leicester Shoe & Boot Factory) Limited	Property holding company
Empiric (Liverpool Art School/Maple House) Limited	Property holding company
Empiric (Liverpool Chatham Lodge) Limited	Property holding company
Empiric (Liverpool Grove Street) Limited	Property holding company
Empiric (Liverpool Hahnemann Building) Limited	Property holding company
Empiric (Liverpool Octagon/Hayward) Limited	Property holding company
Empiric (London Camberwell) Limited	Property holding company
Empiric (London Francis Gardner) Limited	Property holding company
Empiric (London Road) Limited	Property holding company
Empiric (Manchester Victoria Point) Limited	Property holding company
Empiric (Manchester Ladybarn) Limited	Property holding company
Empiric (Newcastle Metrovick) Limited	Property holding company
Empiric (Northgate House) Limited	Property holding company
Empiric (Nottingham 95 Talbot) Limited	Property holding company
Empiric (Nottingham Frontage) Limited	Property holding company
Empiric (Nottingham Frontage) Leasing Limited	Property leasing company
Empiric (Oxford Stonemason) Limited	Property holding company
Empiric (Picturehouse Apartments) Limited	Property holding company
Empiric (Portobello House) Limited	Property holding company
Empiric (Portsmouth Elm Grove Library) Limited	Property holding company
Empiric (Portsmouth Europa House) Limited	Property holding company
Empiric (Portsmouth Europa House) Leasing Limited	Property leasing company
Empiric (Portsmouth Registry) Limited	Property holding company
Empiric (Portsmouth Kingsway House) Limited	Property holding company
Empiric (Provincial House) Limited	Property holding company
Empiric (Provincial House) Leasing Limited	Property leasing company
Empiric (Reading Saxon Court) Limited	Property holding company
Empiric (Reading Saxon Court) Leasing Limited	Property leasing company
Empiric (Snow Island) Limited	Property holding company

<i>Name</i>	<i>Principal activity</i>
Empiric (Southampton) Limited	Property holding company
Empiric (Southampton) Leasing Limited	Property leasing company
Empiric (St Andrews Ayton House) Limited	Property holding company
Empiric (St Andrews Ayton House) Leasing Limited	Property leasing company
Empiric (St Peter Street) Limited	Property holding company
Empiric (St Peter Street) Leasing Limited	Property leasing company
Empiric (Stirling Forthside) Limited	Property holding company
Empiric (Stirling Forthside) Leasing Limited	Property leasing company
Empiric (Stoke Caledonia Mill) Limited	Property holding company
Empiric (Summit House) Limited	Property holding company
Empiric (Talbot Studios) Limited	Property holding company
Empiric (Trippet Lane) Limited	Property holding company
Empiric (Trippet Lane) Leasing Limited	Property leasing company
Empiric (Twickenham Grosvenor Hall) Limited	Property holding company
Empiric (York Foss Studios 1) Limited	Property holding company
Empiric (York Lawrence Street) Limited	Property holding company
Empiric (York Percy's Lane) Limited	Property holding company
Empiric Acquisitions Limited	Intermediate holding company
Empiric Investment Holdings (Two) Limited	Intermediate holding company
Empiric Investment Holdings (Three) Limited	Intermediate holding company
Empiric Investment Holdings (Four) Limited	Intermediate holding company
Empiric Investment Holdings (Five) Limited	Intermediate holding company
Empiric Investment Holdings (Six) Limited	Intermediate holding company
Empiric Investments (One) Limited	Intermediate holding company
Empiric Investments (Two) Limited	Intermediate holding company
Empiric Investments (Three) Limited	Intermediate holding company
Empiric Investments (Four) Limited	Intermediate holding company
Empiric Investments (Five) Limited	Intermediate holding company
Empiric Investments (Six) Limited	Intermediate holding company
Empiric Student Property Trustees Limited	Trustee of the EBT
Hello Student Management Limited	Letting management company
Grove St Studios Ltd (in members voluntary liquidation)	Property Holding Company
Spring Roscoe Limited (in members voluntary liquidation)	Property Holding Company

2.2 All of the above subsidiaries are incorporated in England and Wales. The Board intends that further companies and intermediate holding companies will be set up to hold any additional properties which may be acquired by the Group.

### 3 SHARE CAPITAL

3.1 The Company's share capital: (i) as at the date of this Prospectus, and (ii) as it will be immediately following Admission (assuming 137,614,678 million Shares are issued pursuant to Issue) is as follows:

		<i>Number of Shares</i>	<i>Aggregate nominal value (£)</i>
(i)	As at the date of this Prospectus	501,279,071	5,012,790.71
(ii)	Immediately following Admission	638,893,749	6,388,937.49

- 3.2 On incorporation on 11 February 2014, one Share was issued at £1.00 (fully paid) for the purposes of incorporation to Paul Hadaway as the subscriber to the Company's memorandum of association.
- 3.3 The following changes in the share capital of the Company have taken place between incorporation of the Company and the date of this Prospectus:
- (a) on 29 April 2014, 50,000 restricted shares of £1.00 each in aggregate were issued at par (fully paid) to Timothy Attlee and Paul Hadaway (25,000 restricted shares to each);
  - (b) on 30 June 2014, 85,000,000 Shares were issued pursuant to a placing and offer for subscription at an issue price of £1.00 per Share;
  - (c) on 30 June 2014, the 50,000 restricted shares were redeemed out of the proceeds of the placing and offer for subscription at par value and cancelled;
  - (d) on 24 November 2014, 65,000,000 Shares were issued pursuant to a placing and offer for subscription at an issue price of £1.01 per Share;
  - (e) on 17 March 2015, 82,926,829 Shares were issued pursuant to a placing and offer for subscription at a price of £1.025 per Share;
  - (f) on 27 July 2015, 70,921,985 Shares were issued pursuant to a placing and offer for subscription at a price of £1.0575 per Share;
  - (g) on 27 October 2015, 81,151,186 Shares were issued pursuant to a placing and offer for subscription at a price of £1.065 per Share; and
  - (h) on 21 March 2016, 116,279,070 Shares were issued pursuant to an open offer, a placing and offer for subscription at a price of £1.075 per Share.
- 3.4 On 25 May 2017, resolutions of the Company were passed at the annual general meeting for the following purposes:
- (a) that the Directors be generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Shares in the Company or grant rights to subscribe for, or to convert any security into, Shares in the Company ("**Rights**"):
    - (i) up to an aggregate nominal amount of £1,654,221; and
    - (ii) allot equity securities (as defined in section 560(1) of the Act), up to a further aggregate nominal amount of £3,308,442 in connection with an offer by way of a rights issue to:
      - (A) Shareholders in proportion (as nearly as may be) to their existing holdings; and
      - (B) holders of other equity securities, if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,but subject to such exclusions and other arrangements as the Directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the law of any territory (including the

requirements of any regulatory body or stock exchange) or any other matter; and

such authority to expire (unless previously revoked by the Company) on the earlier of 15 months from the date of the annual general meeting at which the resolution is passed and the conclusion of the next annual general meeting of the Company and in each case the Company may, before such expiry, make an offer or agreement which would or might require Shares to be allotted or Rights to be granted after the authority has expired and the Directors may allot Shares or grant Rights in pursuance of any such offer or agreement notwithstanding that the authority has expired and this authority replaces all previous authorities;

- (b) that, subject to the passing of the resolution summarised at paragraph (a) above, the Directors shall have the power to allot equity securities (pursuant to sections 570 and 573 of the Act) for cash under the authority referred to in the resolution summarised at paragraph (a) above as if section 561 of the Act did not apply to any such allotment, such power shall be limited to:
- (i) the allotment of equity securities in connection with an offer or issue of equity securities (but in the case of the authority granted under paragraph (ii) of the resolution summarised at paragraph (a) above, by way of a rights issue only) to or in favour of:
    - (A) Shareholders in proportion (as nearly as may be) to their existing holdings; and
    - (B) holders of other equity securities, if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities, but subject to such exclusions and other arrangements as the Directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the law of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and
  - (ii) the allotment of equity securities (otherwise than under paragraph (i) of the resolution summarised in this paragraph (b)) up to an aggregate nominal amount of £250,639,

such authority shall expire (unless previously revoked by the Company) when the authority given by the resolution above is revoked or expires but the Company may before expiry of this power make an offer or agreement which would or might require Shares to be allotted or Rights to be granted after the authority has expired and the Directors may allot Shares or grant Rights in pursuance of any such offer or agreement notwithstanding that this authority has expired.

- (c) that, subject to the passing of the resolution summarised at paragraph (a) above, the Directors shall have the power to allot equity securities (pursuant to sections 570 and 573 of the Act) for cash under the authority conferred by the resolution summarised at paragraph (a) above and/or sell treasury shares as if section 561(1) of the Act did not apply to any such allotment or sale provided that this power shall be limited to:
- (i) the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £250,639; and

- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority shall expire (unless previously revoked by the Company) on the earlier of 15 months from the date of the annual general meeting at which this resolution is passed and the conclusion of the next annual general meeting of the Company and in each case the Company may, before such expiry, make an offer or agreement which would or might require Shares to be allotted or Rights to be granted after the authority has expired and the Directors may allot Shares or grant Rights in pursuance of any such offer or agreement notwithstanding that this authority has expired; and

- (d) that the Company be and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of Shares upon such terms and in such manner as the Directors shall determine, provided that:

- (i) the maximum aggregate number of Shares authorised to be purchased is 50,127,907;
- (ii) the minimum price which may be paid for such Shares is £0.01 per Share (exclusive of expenses);
- (iii) the maximum price (exclusive of expenses) which may be paid for a Share cannot be more than an amount equal to the higher of:
  - (A) 105 per cent of the average of the closing middle market price for a Share as derived from the London Stock Exchange Daily Official List for the five business day immediately prior to the day the purchase is made; and
  - (B) the higher of the price of the last independent trade of a Share as derived from the trading venue or venues where the purchase is carried out;

unless previously renewed, varied or revoked, the authority conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2018 or 15 months from the date of annual general meeting at which this resolution, is passed, whichever is earlier, the Company may make a contract or contracts to purchase Shares under the above authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Shares in pursuance of any such contract or contracts.

3.5 On 21 July 2017 resolutions of the Company will be considered at the General Meeting for the following purposes:

- (a) that, the Directors are generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot up to 140,000,000 Shares, such authority to expire on 30 September 2017 (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, at any time prior to the expiry of such authority, make an

offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired.

- (b) that, conditionally upon the passing of the resolution referred to in paragraph 3.5(a) above, the Directors are generally empowered (pursuant to section 570 of the Act) to allot Shares for cash pursuant to the resolution referred to in paragraph 3.5(a) above as if section 561 of the Act did not apply to any such allotment, such power to expire on 30 September 2017 (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Shares to be allotted after the expiry of such power and the Directors may allot Shares in pursuance of such an offer or agreement as if such power had not expired.

- 3.6 No shares in the capital of the Company are held by or on behalf of the Company.
- 3.7 Save as set out in paragraphs 4.4 and 6.1 of this Part 9, the Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 3.8 In accordance with the power granted to the Directors, it is expected that the Shares to be issued pursuant to the Issue will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission, in accordance with the Companies Act.
- 3.9 All of the Shares are in registered form and are eligible for settlement in CREST. Temporary documents of title will not be issued. The Company utilises the services of Computershare Investor Services PLC as registrar in relation to the transfer and settlement of Shares.

#### **4 INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS**

- 4.1 Other than as set out in the table below, as at 3 July 2017 (being the last practicable date prior to the publication of this Prospectus), the Company was not aware of any person who was directly or indirectly interested in 3 per cent. of more of the issued share capital of the Company:

<i>Name</i>	<i>Number of Shares</i>	<i>Proportion of issued share capital (%)</i>
Investec Wealth & Investment Limited	47,558,117	9.49
Schroders plc	39,690,265	7.92
SG Hambros Bank Limited	24,858,337	4.96
East Riding of Yorkshire Pension Fund	24,756,828	4.94
CCLA Investment Management Limited	24,545,187	4.90
BlackRock, Inc	23,795,056	4.75
Avenue Europe Management Limited	19,369,867	3.86
Smith & Williamson Holdings Limited	18,889,523	3.77
Premier Asset Management	18,043,509	3.60

- 4.2 Other than as disclosed above, the Company and the Directors are not aware of any person who as at 3 July 2017 (being the latest practicable date prior to the publication of this Prospectus), directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor are they aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 4.3 Save as set out below, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at 3 July 2017 (being the latest practicable date prior to the publication of this Prospectus).

<i>Director</i>	<i>Number of Shares</i>	<i>Percentage of issued share capital (%)</i>
Baroness Dean	48,285	0.010
Timothy Attlee	688,700	0.137
Paul Hadaway	1,340,801	0.267
Jim Prower	37,935	0.008
Stephen Alston	38,800	0.008
Stuart Beevor*	20,000	0.004

\* held jointly between Stuart Beevor and his wife Kim Beevor.

- 4.4 Details of the Executive Directors' and former directors' interests in nil cost options over Shares awarded under the LTIP as at the date of this Prospectus are set out below:

<i>Name</i>	<i>Outstanding LTIP awards subject to performance and employment conditions (number of Shares)<sup>(1)</sup></i>	<i>Outstanding LTIP awards subject to employment condition (number of Shares)<sup>(2)</sup></i>
Paul Hadaway	1,079,175	233,078
Timothy Attlee	1,079,175	233,078
Michael Enright*	187,500	178,675

\* Michael Enright resigned as the Company's Chief Financial Officer on 14 March 2017.

- (1) These are LTIP awards subject to a performance condition linked to total shareholder return, measured over a three year period. Following Michael Enright's resignation from the Board it was agreed that his 2014 LTIP awards should be allowed to vest in the ordinary course.
- (2) These are deferred share awards granted on 9 November 2015 (pursuant to the 2014/2015 annual bonus scheme), on 29 September 2016 (pursuant to the 2015/2016 annual bonus scheme) and on 25 April 2017 (pursuant to the 2016/17 annual bonus scheme for the shortened 6 month period ended 31 December 2016). The annual bonus awards are not subject to any further performance conditions and in normal circumstances will be exercisable on or after the third anniversary of grant. Following Michael Enright's resignation from the Board it was agreed that his deferred share awards should be allowed to become exercisable in the ordinary course.

- 4.5 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 4.6 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

4.7 Over the five years preceding the date of this Prospectus, the Directors hold or have held the following directorships (apart from their directorships of Group subsidiaries) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
<b>Baroness Dean</b>	The University College London Hospitals Charitable Foundation Places for People Ventures Limited Places for People Operations Limited Places for People Group Limited Residential Secure Income PLC	Taylor Wimpey plc East Foundation Limited Chamberlain Phipps Group Plc Nats (En Route) public limited company Nats Holdings Limited Nats Employee Sharetrust Limited Thompson Foundation (Trustee) Limited
<b>Timothy Attlee</b>	London Cornwall Property Partners Ltd London Cornwall Student Investments Ltd London Cornwall (Birmingham) Ltd London Cornwall (Bristol 1) Ltd London Cornwall (Cardiff) Ltd London Cornwall (Edinburgh) Ltd London Cornwall (Exeter) Ltd London Cornwall (Pinewood) Ltd Pinewood Nominal Ltd Pinewood Polzeath Residents Management Company Ltd Prime Student Housing (Cardiff) Contracting Ltd Prime Student Housing (Exeter) Contracting Ltd Boscawen Limited	South West Peninsular Properties Ltd SWPP Investments Ltd
<b>Paul Hadaway</b>	PLPP Management Ltd London Cornwall Property Partners Ltd London Cornwall Student Investments Ltd London Cornwall (Pinewood) Ltd Pinewood Nominal Ltd Pinewood Polzeath Residents Management Company Ltd London Cornwall (Birmingham) Ltd London Cornwall (Bristol 1) Ltd London Cornwall (Cardiff) Ltd London Cornwall (Edinburgh) Ltd London Cornwall (Exeter) Ltd Prime Student Housing (Cardiff) Contracting Ltd Prime Student Housing (Exeter) Contracting Ltd	Marble Shelf Developments Limited Marble Shelf Developments (Holdings) Ltd

<i>Name</i>	<i>Current</i>	<i>Previous</i>
<b>Lynne Fennah</b>	Marlin Aviation Limited	Adina Europe Ltd Medina Europe Sales Limited
<b>Stephen Alston</b>	Prime Student Housing (Cardiff) Contracting Limited Prime Student Housing (Exeter) Contracting Limited Metropolitan & Suburban Partners Limited Metropolitan & Suburban Regeneration Fulham Limited Metropolitan & Suburban (Walthamstow) Limited Lumley Properties 1 LLP REQ Opco (Kingston) Limited Kingston Heights Energy Management Company Ltd REQ Opco (Swindon) Limited	Generator Group LLP Hartwood Capital LLP
<b>Jim Prower</b>	Argent Investments LLP Tritax Big Box REIT plc AEW UK Long Lease REIT plc	Miller Argent (Nominee No. 1) Limited Miller Argent (South Wales) Limited Miller Argent (Ffos-y-Fran) Limited Ffos-y-Fran (Commoners) Limited Miller Argent Holdings Limited Argent (Property Development) Services LLP Argent Group Limited Argent Estates Limited Argent Group Developments Plc Brindleyplace Plc Argent (King's Cross) Limited Argent (Paradise) Limited Argent (Piccadilly Gardens) Limited Argent Brindleyplace Investments Limited Argent Piccadilly Place (No.2) Limited Argent Piccadilly Place (No.1) Limited Piccadilly Place General Partner Limited Piccadilly Place Trustee (No.1) Limited Piccadilly Place Trustee (No.2) Limited Argent (Stevenson Square) Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
<b>Jim Prower</b>		Piccadilly Place Trustee (No.3) Limited
<i>continued</i>		Piccadilly Place Trustee (No.4) Limited
		Argent King's Cross GP Limited
		Argent King's Cross Nominee Limited
		Argent Projects No 4 GP Limited
		Argent Nominee 1 Limited
		Argent Nominee 2 Limited
		Argent Projects No 4 Nominee Limited
		Five Piccadilly Management Company Limited
		KCC Nominee 1 (P2) Limited
		KCC Nominee 2 (P2) Limited
		KCC Nominee 1 (R1) Limited
		KCC Nominee 1 (R6) Limited
		KCC Nominee 2 (Q1) Limited
		KCC Nominee 1 (Q1) Limited
		KCC Nominee 1 (R3/R6) Limited
		KCC Nominee 2 (R1) Limited
		KCC Nominee 2 (R3/R6) Limited
		KCC Nominee 2 (R6) Limited
		Arthouse Manco Limited
		KCC Nominee 1 (J) Limited
		KCC Nominee 1 (T5) Limited
		KCC Nominee 1 Limited
		KCC Nominee 2 (J) Limited
		KCC Nominee 2 (T5) Limited
		KCC Nominee 2 Limited
		King's Cross Central (Trustee No. One) Limited
		King's Cross Central (Trustee No. Two) Limited
		KCC Nominee 1 (B3) Limited
		KCC Nominee 2 (B3) Limited
		KCC Nominee 1 (R5N) Limited
		KCC Nominee 2 (R5N) Limited
		King's Cross Central General Partner Limited
		KCC Nominee 2 (P1) Limited
		KCC Nominee 1 (P1) Limited
		KCC Nominee 1 (P1 RESI) Limited
		KCC Nominee 2 (P1 RESI) Limited
		King's Cross Events Limited
		KCC Nominee 1 (T1) Limited
		KCC Nominee 2 (T1) Limited
		KC (B2&B4) GP Limited
		KCC Nominee 1 (B2) Limited
		KCC Nominee 1 (B4) Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
<b>Jim Prower</b>		KCC Nominee 1 (B5) Limited
<i>continued</i>		KCC Nominee 2 (B2) Limited
		KCC Nominee 2 (B4) Limited
		KCC Nominee 2 (B5) Limited
		Prometheus Regeneration Limited
		Sisyphus Limited
		KCC Nominee 1 (WTS) Limited
		KCC Nominee 2 (WTS) Limited
		KCC Nominee 1 (MGS) Limited
		KCC Nominee 1 (Coal Drops) Limited
		KCC Nominee 1 (R2) Limited
		KCC Nominee 2 (Coal Drops) Limited
		KCC Nominee 2 (MGS) Limited
		KCC Nominee 2 (R2) Limited
		KCC Nominee 1 (T1 RESI) Limited
		KCC Nominee 2 (T1 RESI) Limited
		Argent Projects No. 4 GP Limited
		Argent Projects No. 4 Nominee Limited
		Tapestry Manco Limited
		King's Cross Estate Services Limited
		KCC Nominee 1 (GG) Limited
		KCC Nominee 2 (GG) Limited
		KCC Nominee 1 (G1PAV) Limited
		KCC Nominee 2 (G1PAV) Limited
		Plimsoll Manco Limited
		Tritax REIT Acquisition 3 Limited
		KCC Nominee 1 (B6) Limited
		KCC Nominee 2 (B6) Limited
		Tritax REIT Acquisition 8 Limited
		Tritax REIT Acquisition 9 Limited
		KCC Nominee 1 (N1 RESI) Limited
		KCC Nominee 1 (N1) Limited
		KCC Nominee 1 (R7) Limited
		KCC Nominee 2 (N1 RESI) Limited
		KCC Nominee 2 (N1) Limited
		KCC Nominee 2 (R7) Limited
		Tritax REIT Acquisition 16 Limited
		KCC Nominee 2 (S2) Limited
		KCC Nominee 1 (S2) Limited
		KC Nominee 1 (FC) Limited
		KC Nominee 2 (FC) Limited
		R3/R6 Manco Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
<b>Jim Prower</b> <i>continued</i>		Argent (UK Developments) Limited Brindleyplace General Partner Limited Argent Development Consortium Limited Elisabeth House General Partner Limited Elisabeth House Nominee No. 1 Limited Elisabeth House Nominee No. 2 Limited
<b>Stuart Beevor</b>	ICG-Longbow Senior Secured UK Property Debt Investments Limited Beevor Consulting Ltd Metropolitan Housing Trust Ltd	The Unite Group plc Clapham Park Development Limited Clapham Park Homes Limited

- 4.8 Timothy Attlee was a director of South West Peninsular Properties Ltd and SWPP Investments Ltd, both of which companies were placed into voluntary solvent liquidation and dissolved.
- 4.9 Paul Hadaway was a director of Marble Shelf Developments Limited which was the subject of a compulsory winding-up order dated 24 June 2009. The company was wound-up and dissolved on 12 September 2013 following an agreed commercial settlement with creditors.
- 4.10 In the five years before the date of this Prospectus, the Directors:
- (a) did not have any convictions in relation to fraudulent offences;
  - (b) save as disclosed in this paragraph 4, were not associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
  - (c) did not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and were not disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 4.11 Save as disclosed in the section entitled “Conflicts of interest” in Part 4 of this Prospectus, as at the date of this Prospectus, none of the Directors had any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 4.12 The Company maintains directors’ and officers’ liability insurance on behalf of the Directors at the expense of the Company.
- 4.13 All Shareholders have the same voting rights in respect of the share capital of the Company.

## 5 DIRECTORS' SERVICE AGREEMENTS

### 5.1 *Executive Directors*

- (a) The following agreements have been entered into between each of the Executive Directors and the Company:
- (i) Paul Hadaway, who was appointed as a Director on incorporation, is employed by the Company in the post of Chief Executive Officer. He is engaged under a contract with the Company dated 16 June 2014, which includes a notice period of 12 months and contains restrictive covenants. The annual salary under Paul Hadaway's service agreement is currently £360,000 (with effect from 1 January 2017).
  - (ii) Timothy Attlee, who was appointed as a Director on incorporation, is employed by the Company in the post of Chief Investment Officer. He is engaged under a contract with the Company dated 16 June 2014, which includes a notice period of 12 months and contains restrictive covenants. The annual salary under Timothy Attlee's service agreement is currently £360,000 (with effect from 1 January 2017).
  - (iii) Lynne Fennah, who was appointed as a Director on 26 June 2017, is employed by the Company in the post of Chief Financial Officer. She is engaged under a contract with the Company dated 13 April 2017, which includes a notice period of 12 months and contains restrictive covenants. The annual salary under Lynne Fennah's service agreement is currently £225,000.
- (b) In addition, each of the Executive Directors is entitled to a contribution of 15 per cent. of basic salary for their personal pension arrangements or direct to their pension plan and a standard benefits package including, medical insurance, life insurance and a £10,000 per annum car allowance.
- (c) Each Director is also entitled to a discretionary bonus under the Group's annual bonus scheme, further details of which are set out in paragraph 6.3 of this Part 9.

### 5.2 *Non-Executive Directors*

- (a) Each Non-Executive Director has entered into a letter of appointment with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. All Directors are subject to retirement by rotation in accordance with the Articles. There is no notice period specified in the letters of appointment or Articles for the removal of Non-Executive Directors. The Articles provide that the office of Director shall be terminated by, amongst other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) the written request of all of the other Directors.

- (b) Each of the Non-Executive Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Details of the remuneration for the Non-Executive Directors as at the date of this Prospectus is as follows:

<i>Director</i>	<i>Fee (£)</i>	<i>Appointment date</i>
Baroness Dean	115,000	28 May 2014
Stephen Alston	40,000	28 May 2014
Jim Prower	52,500	28 May 2014
Stuart Beevor	48,000	1 January 2016

- (c) The Non-Executive Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. The aggregate remuneration and benefits in kind of the Non-Executive Directors in respect of the 12 month period ended 31 December 2017 which will be payable out of the assets of the Company are not expected to exceed £255,500.

## **6 INCENTIVE ARRANGEMENTS**

### **6.1 Value Delivery Plan**

The Company has adopted the Value Delivery Plan, the terms of which are summarised below:

(a) *Operation*

The Value Delivery Plan will be administered by the Board or by any duly authorised committee of it, and decisions in relation to participation in the Value Delivery Plan by Executive Directors will always be taken by the Remuneration Committee. Any employee of the Group is eligible to participate at the Board's discretion.

(b) *Grant Period*

Awards can only be granted in the six weeks following the day on which:

- (i) the announcement by the Company of its results for any period;
- (ii) any day on which a restriction on the grant of Awards is lifted; or
- (iii) any day on which the Board determines that exceptional circumstances exist which justify the grant of Awards.

If the Company is restricted from granting Awards during these periods, it may grant Awards in the period of 42 days from when those restrictions are lifted.

(c) *Form of Awards*

Awards may be granted by the Board as conditional Awards of, or nil-cost options over, Shares. Awards are not transferable except on death and will not form part of pensionable earnings.

(d) *Size of Awards*

The number of Shares comprised in each Award will not be determined at the grant date. Instead, each participant will be granted an Award that will vest over such number of Shares that are equal in value to the participant's upfront allocation

(“**Percentage Allocation**”) of the reward pool (“**Reward Pool**”) at the end of the performance period.

(e) *Individual limit*

No Percentage Allocation may exceed 40 per cent. of the Reward Pool.

(f) *Limits on the use of newly issued Shares to satisfy awards under the Value Delivery Plan*

In any ten year period, the number of Shares which may be issued under the Value Delivery Plan and any other employee share plan adopted by the Company may not exceed 10 per cent. of the issued ordinary share capital of the Company from time to time.

In addition, in any ten year period, the number of Shares which may be issued under the Value Delivery Plan and any other discretionary employee share plan adopted by the Company may not exceed 5 per cent. of the issued ordinary share capital of the Company from time to time.

Treasury shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

(g) *Performance conditions*

The size of the Reward Pool (and therefore the number of Shares that “vest” in respect of each Award) will depend on whether or not “Shareholder value” has been created over the performance period.

(i) **Test of Shareholder value** – At the end of the performance period, the Board will calculate Shareholder value, i.e. the growth in Net Asset Value plus compound dividends, for the period.

(ii) **Determining the Reward Pool** – In order for there to be any value in the Reward Pool, Shareholder value must exceed the “performance threshold” set by the Board, which will be 8 per cent. per annum, such that if Shareholder value is equal to, or less than, the performance threshold, the Reward Pool will be zero and Awards will lapse. However, where the performance threshold is exceeded, a Reward Pool is generated equal to 10 per cent. of such “excess Shareholder value”, capped at 5 per cent. of total Shareholder value delivered over the period.

(iii) **Capital investment** – Where the Company raises capital during the performance period, Shareholder value will be calculated in respect of each “investment tranche” for the remainder of the performance period, such that 10 per cent. of any excess Shareholder value for each investment tranche will form part of the Reward Pool at the end of the performance period.

(iv) **Amendment of performance conditions** – The performance conditions may be amended or substituted if one or more events occur which cause the Board to consider that amended or substituted performance conditions would be more appropriate and would not be materially less difficult to satisfy.

(h) *Holding period*

Awards will be subject to a further one year “holding period”, following the end of the performance period, after which time Awards will be “released”.

(i) *Vesting, release and exercise of Awards*

(i) **Vesting** – Following the determination of the Reward Pool (as set out above), each participant’s Percentage Allocation will be applied to the Reward Pool, and the number of vested Shares comprised in each Award will be determined by reference to the average closing share price for the 20 dealing days immediately following the end of the performance period.

(ii) **Release** – As soon as practicable after the end of the holding period, vested shares comprised in an Award will be released (and participants will become unconditionally entitled to receive the underlying Shares).

(iii) **Exercise** – Nil-cost options will then normally be exercisable until the tenth anniversary of the grant date. At any time before the point at which an Award has been released, or a nil-cost option has been exercised, the Board may decide to pay a participant a cash amount equal to the value of the Shares they would have otherwise received.

(j) *Dividend equivalent payments*

The Board may decide that participants will receive an amount (in cash and/or additional Shares) equal in value to any dividends that would have been paid on the vested Shares on such terms as the Board may determine during the holding period (or such other period as the Board may determine, not exceeding the period beginning on the first day of the holding period and ending on the date on which the Award is exercised, if structured as a nil-cost option). This amount may assume the reinvestment of dividends and exclude or include special dividends.

(k) *Cessation of employment*

(i) **During the performance period**

Awards will usually lapse on the individual’s cessation of office or employment with the Group except where cessation is as a result of the individual’s death, ill health, injury or disability, redundancy or where the participant’s employer is no longer a member of the Group, or for any other reason that the Board determines, except where a participant is summarily dismissed (“**Good Leavers**”).

Unvested Awards held by Good Leavers will usually continue until the normal release date, unless the Board determines that the Award will vest and be released as soon as reasonably practicable following the date of cessation or death (as applicable). As well as assessing the performance conditions, the Board will take into account, unless it determines otherwise, the proportion of the period of time that has elapsed to the date of cessation or death (as applicable).

If a participant dies, his personal representatives will normally have 12 months from the participant’s death to exercise any vested and released nil-cost options. For other Good Leavers, nil-cost options will normally be exercisable for six months.

(ii) ***During the holding period***

If a participant ceases to be an officer or employee of the Group during a holding period for any reason (save for summary dismissal), his award will normally be released at the end of the holding period, unless the Board determines that it should be released as soon as reasonably practicable following his cessation of office or employment. However, if a participant is summarily dismissed during a holding period, his award will lapse immediately.

Nil-cost options will normally be exercisable for six months after release.

(iii) ***After the end of the holding period (options only)***

If a participant ceases to be an officer or employee of the Group whilst holding a vested nil-cost option which is not (or is no longer) subject to a holding period, he will normally have six months from his cessation of office or employment to exercise that nil-cost option, unless he is summarily dismissed, in which case his nil-cost option will lapse immediately.

(l) ***Reduction of Awards and clawback***

If, in the opinion of the Board, there is:

- (i) a restatement of the Company's audited results;
- (ii) censure by a regulatory authority;
- (iii) any other circumstances where the Board considers the reputation of the Company has been materially damaged;
- (iv) poor performance or material misconduct on the part of the participant; or
- (v) any other reason that the Board determines appropriate

at any time prior to the fifth anniversary of the grant date, the Board may:

- (vi) reduce Awards (to zero if appropriate) or impose additional conditions on the Awards; and/or
- (vii) require that the participant has to either return some or all of the Shares acquired under his award or make a cash payment to the Company in respect of the Shares delivered).

(m) ***Corporate events***

In the event of a change of control of the Company, unless the Board determines otherwise, Awards will vest (if applicable) and be released early.

The extent to which any unvested Awards vest will be determined by the Board, taking into account the extent to which the performance conditions have been satisfied at that time, which by default, will also effectively time pro-rate the Award. Depending upon the circumstances of the corporate event, the Board may also take into account any other relevant data, and vary the value of an Award, if the Board determines that such circumstances warrant any variation.

Alternatively, the Board may permit Awards to be exchanged for equivalent Awards. If the change of control is an internal reorganisation of the Group or, if the Board so decides, participants may be required to exchange their Awards.

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Shares, the Board will determine whether and to what extent Awards will be released.

(n) *Adjustment of Awards*

The Board may adjust the number of Shares comprised in an Award if, during the holding period, there is a variation of the Company's share capital or any demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Shares.

(o) *Amendments*

The Board may amend the Value Delivery Plan at any time, provided that prior approval of the Shareholders will be required for amendments to the advantage of eligible employees or participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares comprised in an award and the impact of any variation of capital.

However, any minor amendment to benefit the administration of the Value Delivery Plan, to take account of legislative changes, or to obtain or maintain favourable tax, exchange control or regulatory treatment may be made by the Board without shareholder approval.

(p) *Satisfying Awards and termination of Value Delivery Plan*

Awards may be satisfied using newly issued Shares, Shares held in treasury or Shares purchased in the market. Awards may not be granted under the Value Delivery Plan after the tenth anniversary of its approval by Shareholders.

The Board currently intends to operate the Value Delivery Plan twice, such that two Awards will be granted in respect of each four-year end to end "performance period". The first performance period has commenced and runs from 1 January 2017 to 31 December 2020 and the second is intended to run from 1 January 2021 to 31 December 2024. Each Award may only be granted during a grant period. As at the date of this Prospectus, Awards have been granted in relation to the first performance period to Paul Hadaway and Timothy Attlee only.

To the extent that the Awards granted in respect of each of these performance periods vest, they will normally be delivered to participants following the end of a further one year holding period, so after 31 December 2021 and 31 December 2025 respectively.

## 6.2 ***Long Term Incentive Plan***

The Company has also adopted the Amended Empiric Student Property Plc 2014 Long Term Incentive Plan on 20 September 2016 (the "**LTIP**"). Participants in the Value Delivery Plan will receive no further awards under the LTIP other than an award in respect of the deferred element of the annual bonus scheme.

(a) *Eligibility*

Employees and Executive Directors of the Company and designated subsidiaries and joint ventures are eligible to participate in the LTIP.

(b) *Grant of awards*

The Directors or, in the case of Executive Directors, the Remuneration Committee, will decide who will participate and how many Shares they can receive.

Selected employees are granted a right to receive Shares in the Company in the future subject to remaining in employment and subject to the satisfaction of any performance conditions. The right (referred to as an award) can take the form of: (i) a conditional right to free Shares on vesting; or (ii) an option to acquire Shares, from the date of vesting, at an exercise price set at the time of grant (which may be zero).

When the participant becomes entitled to the Shares the award is said to have vested.

Awards will normally only be granted within 42 days of announcement of the Company's results for any period or the annual general meeting. No awards can be granted more than 10 years after the adoption of the LTIP.

(c) *Performance conditions*

Vesting of an award may be subject to a performance condition set by the Remuneration Committee at the time of grant which will normally be tested over at least three financial years. Awards made to Directors of the Company will be subject to performance conditions as described in the Company's remuneration policy from time to time.

(d) *Individual limit*

The value of Shares subject to awards granted to a Director in any financial year will be limited to 150 per cent. of basic salary using an average share price over a period determined by the Remuneration Committee, being not less than twelve months. This limit is subject to any higher percentage approved by the Shareholders in respect of the Company's remuneration policy.

(e) *Vesting awards*

Awards will normally only vest to the extent any performance condition is met. To the extent the award vests (on the later of the third anniversary of the date of grant and such specified date following determination that the performance condition has been met), Shares will be issued or transferred to the participant or, in the case of an option, the option will become exercisable for up to 10 years from the date of grant.

An award can be granted on the basis that the participant will receive an additional amount on vesting based on the dividends paid on the number of Shares in respect of which the award vests or is exercised. This may be paid in cash or additional Shares.

(f) *Malus and clawback*

Malus and clawback may be applied by the Remuneration Committee. Potential circumstances in which the Remuneration Committee could choose to apply malus and clawback are (i) following a restatement of results, (ii) censure by a regulatory authority, (iii) any other circumstances where the Board considers that the reputation of the Company has been materially damaged or (iv) any other reason (including poor performance or misconduct on the part of the participant) that the Board considers appropriate.

Malus may be applied to a deferred annual bonus up to three years from the date of their award and to an LTIP award up to five years from the date of award (the “**Relevant Clawback Date**”).

The Board may in its discretion, determine prior to the Relevant Clawback Date to: (i) reduce (including to zero) the number of Shares to which an LTIP award relates, (ii) impose further conditions on an LTIP award, (iii) require a participant to transfer for nil consideration some or all of the Shares delivered to him under the LTIP award and/or (iv) require a participant to make a cash payment to the Company in respect of some or all of the Shares or cash delivered to him under the LTIP award.

(g) *Leaving employment*

If a participant leaves employment, his award will normally lapse. However, if the participant leaves because of disability, ill-health or injury; redundancy; retirement; sale of his employer, or in other circumstances if the Remuneration Committee allows, his award will continue in effect and vest on the original vesting date. On death, or in other circumstances if the Remuneration Committee so decides, the award will vest early.

An award will only vest in these circumstances to the extent that any performance condition is satisfied at the date of vesting and, unless the Remuneration Committee decides otherwise, the number of Shares in respect of which it vests will be reduced to reflect the fact that the participant left early.

The Remuneration Committee can decide that any holding period will not apply where the participant leaves before it starts and his award does not lapse.

(h) *Takeovers, mergers and other corporate events*

Awards will generally vest early on a takeover, merger or other corporate event to the extent that any performance condition is then satisfied. Where an award vests in these circumstances, the number of Shares in respect of which it vests will, unless the Remuneration Committee decides otherwise, be reduced to reflect the fact that it is vesting early. Alternatively, participants may be allowed or required to exchange their awards over shares in the acquiring company.

(i) *Deferred bonus arrangements*

Awards under the LTIP can also be made in respect of arrangements under which a cash bonus is to be deferred into Shares. Such awards will vest in full on a takeover, merger or other corporate event. If a participant leaves employment, his award will normally lapse. If however he is a good leaver his award will continue in effect and vest on the original vesting date. On death, or in other circumstances if the Remuneration Committee so decides, the award will vest early.

(j) *Plan limit*

In any 10 year period, not more than 10 per cent. of the issued ordinary share capital of the Company may be issued or issuable under the LTIP and all other employee share plans operated by the Company.

In any 10 year period, not more than 5 per cent. of the issued ordinary share capital of the Company may be issued or issuable under the LTIP and all other discretionary employee share plans adopted by the Company.

These limits do not include options or awards which lapse but does include treasury shares if they were newly issued for so long as it is best practice to do so.

(k) *Changes to the LTIP*

The Remuneration Committee can amend the LTIP in any way. However, subject to the following, Shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to: (i) eligibility; (ii) individual and plan limits; (iii) exercise price; (iv) rights attaching to options, awards and Shares; (v) adjustments on variation in the Company's share capital, and (vi) the amendment power.

The Remuneration Committee can, without Shareholder approval, change the LTIP to obtain or maintain favourable tax treatment, make certain minor amendments such as to benefit the administration of the LTIP or change any performance condition in accordance with its terms or if anything happens which causes the Remuneration Committee reasonably to consider it appropriate to do so.

(l) *General*

Any Shares issued on the vesting of awards or exercise of options will rank equally with Shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

The option price or number of Shares subject to options or awards may be adjusted following a demerger, rights issue or other variation in the share capital of the Company.

Options and awards are not pensionable or transferable.

### 6.3 **Annual bonus scheme**

The Group operates an annual bonus scheme for the Executive Directors. The maximum pay out under the annual bonus scheme is 150 per cent. of annual salary, with at least 40 per cent. of any bonus satisfied by the issue of Shares which will be deferred for three years. Payment of an annual bonus is dependent upon performance over the prior 12 month period, with targets set and agreed with the Remuneration Committee. Deferred Share awards under the annual bonus scheme are issued in the form of nil cost options under the LTIP. Such awards have no further performance conditions.

## 7 THE ARTICLES

The Articles contain provisions, *inter alia*, to the following effect:

### 7.1 **Objects/purposes**

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

### 7.2 **Voting rights**

- (a) Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (b) Unless the Board otherwise determines, no member shall be entitled to receive any dividends or be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.
- (c) Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

### 7.3 **Dividends**

- (a) Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution.

If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

- (c) All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- (d) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- (e) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.
- (f) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

#### 7.4 ***Winding up***

- (a) If the Company is wound up the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, divide among the shareholders *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.
- (b) The Directors are required to propose an ordinary resolution that the Company continue its business as presently constituted (the "**Continuation Resolution**") at the annual general meeting of the Company to be held in 2017. If the Continuation Resolution is not passed, the Directors will formulate proposals to be put to Shareholders to reorganise, restructure or wind-up the Company and to present such proposals to Shareholders within 60 days of the date of the annual general meeting at which the continuation resolution was proposed.

## 7.5 **Transfer of shares**

- (a) Subject to such of the restrictions in the Articles as may be applicable, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.
- (b) The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
  - (i) it is in respect of a share which is fully paid up;
  - (ii) it is in respect of only one class of shares;
  - (iii) it is in favour of a single transferee or not more than four joint transferees;
  - (iv) it is duly stamped (if so required); and
  - (v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and the relevant electronic system.

- (c) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.

- (d) If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (e) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- (f) If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Exchange Act and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the U.S. Exchange Act and U.S. Securities Act; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then any shares which the Directors decide are shares which are so held or beneficially owned (“**Prohibited Shares**”) must be dealt with in accordance with paragraph 7.5(g) below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- (g) The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company’s costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- (h) Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

## 7.6 **Variation of rights**

- (a) If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Companies Act.
- (b) The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

## 7.7 **Alteration of share capital**

The Company may, from time to time, by ordinary resolution:

- (a) authorise the Directors to increase its share capital by allotting new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (c) subject to the provisions of the Companies Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- (d) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

## 7.8 **General meetings**

- (a) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (b) A general meeting shall be convened by such notice as may be required by law from time-to-time.
- (c) The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
  - (i) whether the meeting is convened as an annual general meeting or any other general meeting;
  - (ii) the place, the day and the time of the meeting;
  - (iii) the general nature of the business to be transacted at the meeting;

- (iv) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
  - (v) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- (d) The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.
- (e) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- (f) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- (g) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- (h) A resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
- (i) the chairman of the meeting;
  - (ii) at least five members having the right to vote on the resolution;

- (iii) a member or members representing not less than ten per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares);  
or
- (iv) member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

#### 7.9 ***Borrowing powers***

Subject to the provisions of the Companies Act, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### 7.10 ***Issue of shares***

- (a) Subject to the provisions of the Companies Act, and to any relevant authority of the Company required by the Companies Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.
- (b) Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.
- (c) The business of the Company shall be managed by the Directors who, subject to the provisions of the Companies Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

#### 7.11 ***Directors' fees***

- (a) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £400,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day-to-day.

- (b) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

#### 7.12 **Directors' interests**

- (a) The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.
- (b) Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.
- (c) Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:
  - (i) may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (ii) may hold any other office or place of profit under the Company (except that of auditor of the Company or any of its subsidiaries);
  - (iii) may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
  - (iv) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and

- (v) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction or arrangement or from any interest in any body corporate. No such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.
- (d) A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.
- (e) The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

#### 7.13 ***Restrictions on Directors voting***

- (a) A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
  - (i) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
  - (ii) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
  - (iii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iv) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
  - (v) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - (vi) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (calculated exclusively of any shares of that class in that company held as treasury shares) nor to his knowledge holds one per cent. or more of the voting rights which he holds as

shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure Guidance and Transparency Rules) in such body corporate;

- (vii) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
  - (viii) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
  - (ix) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
  - (x) any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- (b) A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

#### 7.14 ***Number of Directors***

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall be not less than two and the number is not subject to a maximum.

#### 7.15 ***Directors' appointment and retirement***

- (a) Each Director shall retire from office at the third annual general meeting after the annual general meeting or general meeting (as the case may be) at which he was previously appointed.
- (b) Any Director who has held office with the Company, other than employment or executive office, and who, at the date of the annual general meeting, has held such office for nine years or more, shall be subject to re-appointment at each annual general meeting.

#### 7.16 ***Notice requiring disclosure of interest in shares***

- (a) The Company may, by notice in writing under section 793 of the Companies Act, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period

at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.

- (b) If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

#### **7.17 *Untraced shareholders***

Subject to the Articles, the Company may sell any shares registered in the name of a member if and provided that during the period of 12 years immediately prior to the date of the publication of the advertisement of an intention to make such a disposal the Company has paid at least three cash dividends on the shares and no cash dividend payable on the share has either been claimed or cashed. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

#### **7.18 *Indemnity of Officers***

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) Companies Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

#### **7.19 *REIT provisions***

A summary of the REIT provisions included in the Articles is set out in paragraph 4 of Part 6 of this Prospectus.

## **8 CITY CODE ON TAKEOVERS AND MERGERS**

### **8.1 *Mandatory bid***

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- (a) a person acquires an interest in Shares which, when taken together with Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in Shares which increase the percentage of Shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Shares at a price not less than the highest price paid for any interests in the Shares by the acquirer or its concert parties during the previous 12 months.

### **8.2 *Compulsory acquisition***

Under Sections 974 – 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the Shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding Shares not assented to the offer. It would do so by sending a notice to outstanding holders of Shares telling them that it will compulsorily acquire their Shares and then, six weeks later, it would execute a transfer of the outstanding Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of Shares. The consideration offered to the holders whose Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to Section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the Shares (in value and by voting rights) to which the offer relates, any holder of Shares to which the offer relates who has not accepted the offer may require the offeror to acquire his Shares on the same terms as the takeover offer.

The offeror would be required to give any holder of Shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of Shares notifying it of its sell-out rights. If a holder of Shares exercises its rights, the offeror is bound to acquire those Shares on the terms of the takeover offer or on such other terms as may be agreed.

## **9 MATERIAL CONTRACTS OF THE GROUP**

The following are the only contracts, not being contracts entered into in the ordinary course of business, which have been entered into by the Group in the two years immediately preceding the date of this Prospectus and which are, or may be, material or which have been entered into at any time by the Group and which contain any provision under which any obligation or entitlement is, or may be, material to the Group at the date of this Prospectus.

## 9.1 **Placing Agreement**

The Placing Agreement dated 4 July 2017 between the Company, the Executive Directors, Jefferies and Akur, pursuant to the terms of which Jefferies has agreed to use its reasonable endeavours to procure subscribers for new Shares at the Issue Price under the Placing. Jefferies has also agreed that if and to the extent that the Gross Proceeds would otherwise be less than £35 million, it will, as principal, subscribe for such number of Shares at the Issue Price as would result in the Gross Proceeds equalling £35 million, on and subject to the terms and conditions set out in the Placing Agreement. Save for this commitment by Jefferies, the Issue is not being underwritten.

In addition, under the Placing Agreement, Akur has been appointed as joint financial adviser and Jefferies has been appointed as sponsor, joint financial adviser, sole global coordinator and bookrunner in connection with the proposed application for Admission and the Issue.

The Placing Agreement may be terminated by Jefferies in certain customary circumstances prior to Admission.

The obligations of the Company to issue new Shares under the Placing and the obligations of Jefferies to use its reasonable endeavours to procure subscribers for new Shares under the Placing, and subscribe for any Shares as principal, are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission in respect of the new Shares following the Issue occurring and becoming effective by 8.00 a.m. on or prior to 24 July 2017 or such later time and/or date as the Company and Jefferies may agree; and (ii) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission.

The Company, and the Executive Directors have given warranties to Jefferies and Akur concerning, *inter alia*, the accuracy of the information contained in this Prospectus. The Company has also given an indemnity to Jefferies and Akur. The warranties and indemnity are customary for an agreement of this nature.

The Placing Agreement is governed by the law of England and Wales.

## 9.2 **The 2016 Share Issuance Programme Placing Agreement**

The 2016 Share Issuance Programme Placing Agreement dated 1 March 2016 between the Company, the executive directors, Jefferies and Akur, pursuant to which, subject to certain conditions, Jefferies agreed to use its reasonable endeavours to:

- (a) procure subscribers for Shares under the initial placing under the 2016 Share Issuance Programme; and
- (b) procure subscribers for Shares made available under any further placings under the 2016 Share Issuance Programme.

The 2016 Share Issuance Programme Placing Agreement is governed by the laws of England and Wales.

## 9.3 **The October 2015 Placing and Offer for Subscription Agreement**

The October 2015 Placing and Offer for Subscription Agreement dated 8 October 2015 between the Company, the executive directors, Jefferies and Akur, pursuant to which, subject to certain conditions, Jefferies agreed to use its reasonable endeavours to procure subscribers for new Shares pursuant to the final placing undertaken by the Company in October 2015 under the first share issuance programme.

In addition, under the October 2015 Placing and Offer for Subscription Agreement, Akur was appointed as joint financial adviser and Jefferies was appointed as sponsor, joint financial adviser, sole global coordinator and bookrunner in connection with the placing.

The October 2015 Placing and Offer for Subscription Agreement is governed by the laws of England and Wales.

#### 9.4 ***The July 2015 Placing and Offer for Subscription Agreement***

The July 2015 Placing and Offer for Subscription Agreement dated 8 July 2015 between the Company, the executive directors, Jefferies and Akur, pursuant to which, subject to certain conditions, Jefferies agreed to use its reasonable endeavours to procure subscribers for new Shares pursuant to the third placing undertaken by the Company in July 2015 under the first share issuance programme.

In addition, under the July 2015 Placing and Offer for Subscription Agreement, Akur was appointed as joint financial adviser and Jefferies was appointed as sponsor, joint financial adviser, sole global coordinator and bookrunner in connection with the placing.

The July 2015 Placing and Offer for Subscription Agreement is governed by the laws of England and Wales.

#### 9.5 ***The RBS Investment Facility Agreement***

Pursuant to the RBS Investment Facility Agreement dated 24 October 2014 (as amended on 27 November 2014 and amended and restated on 23 February 2015) and made between (*inter alios*) Empiric Investments (One) Limited (the “**Borrower**”), (the parties listed therein as guarantors together with the Borrower, the “**Obligors**”), RBS (as arranger, agent, security trustee and original lender) (the “**Lender**”) and National Westminster Bank PLC (acting as account bank and hedge counterparty) (the “**RBS Investment Facility Agreement**”) the Lender has made available to the Borrower a revolving (re-drawable) term loan facility of £55.5 million (the “**RBS Loan**”). The RBS Loan is currently fully drawn-down.

The purpose of the RBS Loan is for such lawful purposes as the Borrower may decide (including property acquisitions, property re-financings, funding for joint ventures (investment or development), forward funding across the Group or among affiliates or as general working capital to be used in the ordinary course of business of the Group’s/affiliates’ investment, management, acquisition and developments of student accommodation assets) either directly or by on-lending amounts to the Obligors, or paying other relevant persons.

The Borrower may borrow the RBS Loan in the period from and including the date of the RBS Investment Facility Agreement to and including the date falling 3 months before the Termination Date (as defined below) (the “**Availability Period**”) by giving RBS a duly completed request (a “**Utilisation Request**”). Each date on which the loan is borrowed must fall within the Availability Period. Any undrawn commitments under the RBS Loan will be automatically cancelled at the end of the Availability Period.

In order to borrow further funds under the RBS Loan, amongst other conditions, the loan to value (following the utilisation) must not be greater than 50 per cent. and the total number of properties secured under the RBS Loan must be equal to or greater than six. The Borrower may bring Additional Properties (as defined in the RBS Investment Facility Agreement) into the RBS Loan to ensure compliance with the requirements for further drawdowns, but the Lender has a right to refuse any proposed Additional Property, providing it acts reasonably in doing so subject to certain conditions.

The Borrower must repay the outstanding amount of the RBS Loan, together with all other amounts due under the Finance Documents (as defined therein), in full to the relevant parties on 24 October 2019 (the “**Termination Date**”). Prior to such date, the Borrower may, subject to the terms of the RBS Loan, reborrow monies that it has repaid.

The rate of interest on the RBS Loan for each interest period is the percentage rate per annum equal to the aggregate of the applicable: (a) Margin; and (b) LIBOR (both as defined in the RBS Investment Facility Agreement). The Margin is 1.9 per cent. per annum. The interest payment dates are 31 January, 30 April, 31 July, 31 October and the Termination Date, with the first interest payment date being 31 January 2015.

The RBS Loan is secured by:

- (a) a first ranking debenture over the assets of each Obligor (including the properties acquired at the time entered into or to be entered into by an Obligor) in favour of the Lender as security trustee;
- (b) a standard security over each property located in Scotland entered into by an Obligor in favour of the Lender as security trustee;
- (c) the assignation of rents derived from each property located in Scotland entered into by an Obligor in favour of the Lender as security trustee; and
- (d) a legal charge in respect of real property acquired after the date of the RBS Investment Facility Agreement by an Obligor.

The Company has not granted any security (including over the shares of the Borrower) to the Lender, but has entered into a subordination deed dated 24 October 2014 to regulate the ranking and payment of inter-company debts owing by the Obligors to the Company.

The RBS Investment Facility Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets of the Obligors (including the shares in the Borrower); and
- (b) restrictions on the disposal of assets.

The RBS Investment Facility Agreement includes both a loan to value covenant (“**LTV Covenant**”) and an interest cover covenant (“**ICR Covenant**”). The ICR Covenant requires that interest cover will not be less than 2:1 and is tested quarterly on each interest payment date (such dates as detailed above). The LTV Covenant requires that the loan to value should not at any time exceed 55 per cent. of the market value of the properties. The LTV Covenant may be tested at any time during the term of the RBS Loan. Any breach of the LTV Covenant (which is not remedied), and any breach of the ICR Covenant is an event of default under the RBS Investment Facility Agreement.

In addition to the events of default arising from a breach of the LTV Covenant or the ICR Covenant, the RBS Investment Facility Agreement includes other various events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each of the Obligors and the Company. An event of default which is continuing would entitle the Lender to:

- (a) cancel all or any part of the total commitments under the RBS Loan; and

- (b) declare that all or part of the amounts outstanding under the Finance Documents are (i) immediately due and payable; and/or (ii) payable on demand; and
- (c) exercise or direct RBS in its capacity as security trustee to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

The RBS Investment Facility Agreement is governed by the laws of England and Wales.

## 9.6 **The Canada Life Facility**

Pursuant to the Canada Life Facility dated 11 May 2015 (as amended and restated on 29 February 2016) between Empiric Investments (Two) Limited (the “**Borrower**”), the companies listed in Schedule 1 of the agreement (the “**Propcos**”) (together with the Borrower, the “**Borrower Obligors**”) and Canada Life (the “**Lender**”) (the “**Canada Life Facility**”) under Lender made available to the Borrower investment term loan facilities of £31.1 million (“**Facility A**”) and £40 million (“**Facility B**”) (the “**Canada Life Loans**”).

The purpose of Facility A was to refinance the acquisition costs of the Original Properties (as defined in the Canada Life Facility) and the purpose of Facility B is to finance (or re-finance) the acquisition costs of the Portfolio Two Original Properties (which were forward commitments that the Borrower had entered into sale agreements to purchase, and all of which it has now acquired).

The Borrower must repay Facility A in full on 14 May 2030 (the “**Facility A Final Repayment Date**”). The Borrower must repay £20 million of Facility B on 20 March 2024 and the remainder of Facility B on 25 July 2031 (the “**Facility B Final Repayment Date**”).

Facility A was drawn-down in full on 14 May 2015.

On 27 July 2016, Facility B was drawn-down in full and advanced to the Security Account (as defined in the Canada Life Facility) which is a blocked account in favour of the Agent. Interest has been accruing on Facility B from 27 July 2016. Each of the Portfolio Two Original Properties has been given an Allocated Loan Amount (as defined in the Canada Life Facility). There were conditions precedent to the release of relevant Allocated Loan Amounts from the Security Account, which included, amongst other conditions precedent, practical completion and acquisition of the relevant Portfolio Two Original Property and the delivery of a first ranking legal charge over such relevant Portfolio Two Original Property in favour of the Lender. Each Allocated Loan Amount comprising the Facility B Loan has been released to the Borrower from the Security Account.

The rates of interest on the Canada Life Loans are the percentage rate per annum which is the aggregate of (a) the applicable Margin; and (b) the applicable Reference Gilt Rate (both as defined in the Canada Life Facility) (the “**Interest Rate**”). The Margin in respect of Facility A is 1.75 per cent per annum and the Margin in respect of Facility B is 2.01 per cent per annum. The interest payment dates are 20 March, 20 June, 20 September and 20 December in each year and the relevant Final Repayment Date.

The Canada Life Loans are secured by:

- (a) a first ranking debenture dated 14 May 2015 granted by the Borrower and the First Propco’s (as defined in the Canada Life Facility) and a debenture dated 29 February 2016 granted by the Borrower and the Second Propcos (as defined in the Canada Life Facility) each in favour of the Lender and incorporating (without limitation), (in the case of the First Propcos) legal mortgages over the Original Properties (or any Substitute Property (as defined therein)) situated in England and Wales, and in each case, fixed charges over the accounts (other than the

tenancy deposit accounts), a share charge over the entire issued share capital of each of the Propcos, assignments by way of security in respect of the rental income (other than any rental income derived from the Original Properties (or any Substitute Properties) situated in Scotland (a "**Scottish Property**")), insurance policy proceeds and each property management agreement and floating charges over all of their other assets and undertakings;

- (b) a standard security in respect of the Scottish Property dated 14 May 2015 and granted by the relevant Propco in favour of the Lender;
- (c) the assignation of rents in respect of the Scottish Property dated 14 May 2015 granted by the relevant Propco in favour of the Lender;
- (d) a share charge over the entire issued share capital of the Borrower dated 14 May 2015 entered into by Empiric Investment Holdings (Two) Limited (the "**Parent**") (a wholly-owned subsidiary of the Company and the owner of the entire issued share capital of the Borrower) in favour of the Lender;
- (e) a duty of care deed to be entered into by the relevant Borrower Obligor, the relevant property manager and, if applicable, the Company, in favour of the Lender;
- (f) assignments by way of security dated 14 May 2015 and 29 February 2016 entered into by the Parent, the Borrower Obligors and the Lender incorporating, among other things, assignments of the rights and interests of the Parent in respect of any loan made by the Parent to the Borrower or by the Borrower to a Propco; and
- (g) various supplemental legal charges (entered into by the Second Propcos) granting Lender a first ranking charge over the relevant Portfolio Two Original Property.

The Parent and the Borrower Obligors have further entered into subordination deeds dated 14 May 2015 and 29 February 2016 to regulate the ranking and payment of any inter-company debts owing by a Borrower Obligor to either the Borrower or the Parent.

The Canada Life Facility contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets of any Borrower Obligor; and
- (b) restrictions on the disposal of assets.

The Canada Life Facility also includes loan to value covenants (the "**LTV Covenants**") and interest cover covenants (the "**ICR Covenants**").

At all times until 27 July 2018, the Facility A LTV Ratio (as defined therein) must not be greater than 70 per cent. and the Facility B LTV Ratio (as defined therein) must not be greater than 70 per cent. After 27 July 2018, at all times, the Aggregate LTV Ratio (as defined therein) must not exceed 70 per cent.

At all times until 27 July 2018, the Facility A Net Interest Cover Ratio (as defined therein) must be greater than 230 per cent. and the Facility B Net Interest Cover Ratio (as defined therein) must be greater than 160 per cent. (with the Facility B Gross Interest Cover Ratio being no less than 225 per cent). At all times after 27 July 2018, the Aggregate Net Interest Cover Ratio (as defined therein) must be greater than 230 per cent. and the Aggregate Gross Interest Cover Ratio (as defined therein) must not be less than 315 per cent.

Any breach of an LTV Covenant or an ICR Covenant (if not remedied) is an event of default under the Canada Life Facility and the Borrower may not exercise its rights to remedy the breach more than three times during the lifetime of the Canada Life Facility.

In addition to the events of default arising from a breach of the LTV Covenants or the ICR Covenants, the Canada Life Facility includes other events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each of the Borrower Obligors, the Parent and the Company. An event of default which is continuing would entitle the Lender to:

- (a) cancel all or any part of the undrawn portion of the Canada Life Loans; and/or
- (b) declare that all or part of the Canada Life Loans, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand; and/or
- (c) exercise all or any of its rights, remedies, powers and discretions under any of the Finance Documents.

The Canada Life Facility includes a mandatory prepayment obligation if any person acquires more than 50 per cent. ownership or control of the Company and Canada Life is not satisfied that the change of control does not have a negative impact on the risk profile of the Loans.

The Canada Life Facility is governed by the laws of England and Wales.

#### 9.7 ***The Mass Mutual Loan Agreement***

Pursuant to the Mass Mutual Loan Agreement dated 1 April 2016 (as amended and restated on 13 December 2016 to include an additional facility of £40 million), and made between (1) Empiric Investments (Four) Limited (the “**Borrower**”), (2) the subsidiaries relating to the holding of property (the “**Guarantors**”) (the Guarantors and the Borrower together the “**Obligors**”), (2) Barings Real Estate Advisers Europe LLP (formerly Cornerstone Real Estate Advisers Europe LLP) and Massachusetts Mutual Life Insurance Company (the “**Arrangers**”) and (3) Massachusetts Mutual Life Insurance Company, in various capacities (“**Mass Mutual**” and the “**Lender**”), the Lender has made available to the Borrower a total of £120 million (the “**Mass Mutual Loan Agreement**”). This comprises of an initial loan of £80 million, which was drawn down in full on 12 April 2016 (the “**Initial Loan**”), and an additional loan of £40 million, which was drawn down in full on 15 December 2016 (the “**Additional Loan**”).

For the Initial Loan, all amounts borrowed must be applied towards financing or refinancing the acquisition of any of the Initial Properties (as defined in the Mass Mutual Loan Agreement) and for general corporate purposes. For the Additional Facility, all amounts borrowed must be applied towards financing or refinancing the acquisition of any Additional Properties (as defined in the Mass Mutual Loan Agreement) and for general corporate purposes.

The Mass Mutual Loan Agreement has a term of 12 years, and a termination date of 12 April 2028 (the “**Termination Date**”). The Borrower must repay the Initial Loan and Additional Loan in full on the Termination Date.

The interest rate is calculated by margin plus reference gilt rate, in respect of both the Initial Loan and the Additional Loan. The fixed rate for the Initial Facility is 3.24 per cent. (a margin of 1.65 per cent. per annum plus a reference gilt rate of 1.59 per cent. per annum). The fixed rate for the Additional Facility is 3.64 per cent. (a margin of 2.10 per

cent. per annum and a reference gilt rate of 1.54 per cent. per annum). The blended interest rate is 3.37 per cent. The interest payment dates are 20 April, 20 July, 20 October and 20 January each year, plus the Termination Date.

The Mass Mutual Loan Agreement is secured by:

- (a) a first ranking security agreement over the assets of the Obligors which were Obligors at 1 April 2016, in favour of Mass Mutual as security agent, dated 12 April 2016;
- (b) a first ranking security agreement over the assets of each Obligor in favour of Mass Mutual as security agent, dated 13 December 2016;
- (c) a share charge granted by Empiric Investment Holdings (Four) Limited (the “**Parent**”) (a wholly-owned subsidiary of the Company and the owner of the entire issued share capital of the Borrower) over its shares in the Borrower, in favour of Mass Mutual as security agent, dated 12 April 2016;
- (d) a share charge granted by the Parent over its shares in the Borrower, in favour of Mass Mutual as security agent, dated 13 December 2016;
- (e) a share pledge agreement entered between (1) Empiric (St Andrews Ayton House) Limited and (2) Mass Mutual as security agent, in the presence of (3) Empiric (St Andrews Ayton House) Luxembourg S.à.r.l as company, dated 12 April 2016;
- (f) standard securities granted by (1) the Obligors and (2) Mass Mutual as security agent;
- (g) assignments of rent granted by (1) the Obligors which relate to property located in Scotland and known as Ayton House and St Andrews Memorial Hospital and (2) Mass Mutual as security agent;
- (h) an assignment of collateral warranties granted by (1) Empiric (Glasgow Bath St) Limited and (2) Mass Mutual as security agent; and
- (i) a security confirmation deed between (1) the Obligors and (2) Mass Mutual as security agent, relating to the Scottish security documents detailed at (f) to (h) above.

The Parent and the Obligors have further entered into a subordination deed dated 12 April 2016 (the “**Subordination Deed**”) to regulate the ranking and payment of any inter-company debts owing by an Obligor to any Subordinated Creditor (as defined in the Subordination Deed) .

The Mass Mutual Loan Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets of the Obligors; and
- (b) restrictions on disposals of assets.

The Mass Mutual Loan Agreement includes several financial covenants. Historical Interest Cover (“**HIC**”) must be 200 per cent. at all times after 12 April 2017. Projected Interest Cover (“**PIC**”) must be 200 per cent. at all times. Loan to Value (“**LTV**”) must not have exceeded 55 per cent. on the Initial Utilisation Date (this was satisfied) and must not exceed 75 per cent. after the Initial Utilisation Date. HIC, PIC and LTV must be calculated

on each Utilisation Date, each Substitution Date and each Cure Date (all as defined in the Mass Mutual Loan Agreement). PIC only must also be tested on 21 November each calendar year (or the following business day). HIC and LTV only must be tested on each test date, i.e. the date falling 52 days following the last day of each Financial Quarter (as defined therein) being 22 May, 21 August, 21 November and 21 February each year or the following business day. LTV may also be tested following the occurrence of an event of default which is continuing, if the agent so elects.

Breach of the financial covenants constitutes can constitute an event of default. In addition, the Mass Mutual Loan Agreement contains other events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each of the Obligors, the Parent, Hello Student Management Limited and any other person or entity which may fall within the definition of Transaction Obligor (as defined in the Mass Mutual Agreement). An event of default which is continuing would entitle the Agent to:

- (a) cancel all or any part of the total commitments under the Mass Mutual Loan Agreement; and/or
- (b) declare that all or part of the amounts outstanding under the Finance Documents (as defined therein) are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand; and/or
- (c) exercise or direct Mass Mutual in its capacity as security agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

The Mass Mutual Loan Agreement is governed by English law.

#### 9.8 ***The RBS Development/Investment Loan Agreement***

Pursuant to the RBS Development/Investment Loan Agreement dated 6 September 2016 (as amended and restated on 31 October 2016), and made between (1) Empiric Investments (Five) Limited (the "**Borrower**"), (2) the subsidiaries relating to the holding of property (the "**Guarantors**") (the Guarantors and Borrower together the "**Obligors**"), (3) the Royal Bank of Scotland PLC (as arranger), (4) the Royal Bank of Scotland PLC (acting as agent for National Westminster Bank PLC) (as agent, security trustee, original lender) ("**RBS**" and the "**Original Lender**") and (5) National Westminster Bank PLC (as account bank and as hedge counterparty) ("**Natwest**"), the Lender has made available to the Borrower a development/investment loan in the amount of £30,630,000 (the "**RBS Development/Investment Loan Agreement**"). Under the RBS Development/Investment Loan Agreement, the Borrower can make a development loan against each asset, once it has fulfilled certain conditions precedent (the "**Development Loans**"). Development Loans can be converted to investment loans (on an asset by asset basis) once other conditions are satisfied, in respect of that asset (the "**Investment Loans**"). An Investment Loan may be made without having taken a Development Loan first, if certain conditions are fulfilled. To date, £21,140,359 has been drawn-down under the RBS Development/Investment Loan Agreement.

All amounts borrowed under the Development Loans, including by on-lending it to the relevant property holding subsidiary, must be applied towards financing or refinancing the costs and expenses referred to in the budgeted costs in respect of each property. This includes (i) the cost of acquisition of that property, (ii) the development costs payable under the development agreement and (iii) amounts payable under the Finance Documents (as defined in the RBS Development/Investment Loan Agreement).

All amounts borrowed under the Investment Loans must be applied towards the repayment of all Development Loans made in respect of each property, and any other amounts owing by it to any Finance Party (as defined therein) in connection with each property. In respect of any property to which no Development Loans have been made, the Investment Loan must be applied towards refinancing the costs and expenses referred to in each of the budgeted costs (which includes the same expenses in detailed at (i) and (ii) in the paragraph above).

The Borrower must repay the outstanding amount of the Development Loans within 120 days of practical completion of the relevant property, or if the relevant loan has been converted to an Investment Loan within such period, it must repay such Investment Loan (along with all other amounts owing under the Finance Documents) on 31 December 2018 (the "**Termination Date**").

The rate of interest under the RBS Development/Investment Loan Agreement for each interest period is the percentage rate per annum equal to the aggregate of the applicable margin and LIBOR. The margin for Development Loans is 3.00 per cent per annum. The margin for Investment Loans is 1.90 per cent. The interest payment dates are 31 January, 30 April, 31 July, 31 October and the Termination Date.

The RBS Development/Investment Loan Agreement is secured by:

- (a) a first ranking debenture over the assets of each Obligor in favour of the Lender as security trustee;
- (b) a standard security over a property located in Scotland entered into or to be entered into by an Obligor in favour of the Lender acting as agent for Natwest as security trustee;
- (c) an assignment of rents derived from a property located in Scotland entered into or to be entered into by an Obligor in favour of the Lender as security trustee;
- (d) an assignment of contracts relating to the development of a property located in Scotland entered into or to be entered into by an Obligor in favour of the Lender as security trustee;
- (e) a share charge over the entire issued share capital of the Borrower entered into by Empiric Investment Holdings (Five) Limited (the "**Parent**") (a wholly-owned subsidiary of the Company and the owner of the entire issued share capital of the Borrower) in favour of the Lender; and
- (f) a duty of care deed to be entered into by the relevant SPV, the relevant property manager and, if applicable, the Company, in favour of the Lender.
- (g) The Parent and the Obligors entered into a subordination deed dated 31 October 2016 to regulate the ranking and payment of any inter-company debts owing by the Obligors to the Parent.

The RBS Development/Investment Loan Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets of the Obligors; and
- (b) restrictions on disposals of assets.

The RBS Development/Investment Loan Agreement includes several financial covenants, including:

- (a) Loan to Cost (“**LTC**”). This must not exceed 60 per cent. in respect of each Property (excluding any Property in respect of which an Investment Loan has been made);
- (b) Loan to Gross Development Value (“**LTGDV**”). This must not exceed 55% in respect of each Property (excluding any Property in respect of which an Investment Loan has been made);
- (c) Cost to Complete (“**CTC**”). This must not exceed 60 per cent., in respect of a Property (on and at all times following the first utilisation of a Development Loan in respect of any Property until the date on which an Investment Loan is made in respect of that Property);
- (d) Interest cover (“**IC**”). This must not be less than 2:1 (on each Test Date on or after the first occurrence of Practical Completion); and
- (e) Loan to value (“**LTV**”). This must not exceed 55 per cent., in respect of all Properties for which Practical Completion has occurred (at all times after the first occurrence of Practical Completion).

IC is calculated on an accruals basis, and compliance will be tested quarterly. The test dates for IC are 31 March, 30 June, 30 September and 31 December each year. Compliance of LTV, LTGDV and LTC may be tested at any time. Breach of financial covenants can constitute an event of default (subject to cure rights provisions).

In addition to the events of default arising from a breach of the financial covenants, the RBS Development/Investment Loan Agreement includes various other events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each of the Obligors and the Parent. An event of default which is continuing would entitle the Agent to:

- (a) cancel all or any part of the total commitments under the RBS Investment/Development Loan Agreement; and/or
- (b) declare that all or part of the amounts outstanding under the Finance Documents are (i) immediately due and payable and/or (ii) payable on demand; and
- (c) exercise or direct RBS in its capacity as security trustee to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

The RBS Development/Investment Loan Agreement is governed by the laws of England and Wales.

## 9.9 ***The AIB Loan Agreement***

Pursuant to the AIB Loan Agreement dated 15 July 2016 (as amended and restated on 22 December 2016 and on 9 June 2017), entered between (1) Empiric Investments (Six) Limited (the “**Borrower**”) (2) the subsidiaries relating to the holding of property (the “**Guarantors**”) (the Guarantors and Borrower together the “**Obligors**”) and (3) AIB Group (UK) P.L.C (“**AIB**”) (in various capacities) (the “**Lender**”), the Lender made available to the Borrower a facility of £32.8 million (the “**AIB Loan Agreement**”). To date, £26,039,483 has been drawn-down under the AIB Loan Agreement.

The AIB Loan agreement is a development loan (the “**Development Facility**”), which can be converted into an investment loan once all of the properties have achieved practical completion and the investment loan conditions precedent are satisfied (the “**Investment Facility**”).

The Borrower must apply all amounts borrowed by it under the Development Facility towards financing or refinancing the costs and expenses of the development including (i) the cost of acquisition of each property; (ii) the costs of carrying out each development; (iii) amounts payable under the development agreements; and (iv) amounts payable under the Finance Documents (as defined therein).

The Borrower must apply all amounts borrowed by it under the Investment Facility towards refinancing all Financial Indebtedness (as defined in the AIB Loan Agreement) incurred under the Development Facility.

The Borrower must repay all amounts borrowed under the Development Facility on the earlier of (i) the date on which all developments (excluding the Nottingham development, unless a loan has been drawn to fund the Nottingham development) have reached Practical Completion or (ii) 29 December 2017.

The Borrower must repay all amounts borrowed under the Investment Facility on 31 October 2020 (the “**Termination Date**”).

The Development Facility has an interest rate of margin (2.8 per cent. per annum) plus LIBOR. The Investment Facility has an interest rate of margin (2.25 per cent. per annum) plus LIBOR. The interest payment dates are 31 January, 30 April, 31 July and 31 October in each year, plus the Termination Date. The first interest payment date was 31 January 2017.

The AIB Loan Agreement is secured by:

- (a) a first ranking debenture over the assets of each Obligor in favour of AIB as security trustee;
- (b) a share charge granted by Empiric Investment Holdings (Six) Limited (the “**Parent**”) (a wholly-owned subsidiary of the Company and the owner of the entire issued share capital of the Borrower) over its shares in the Borrower, in favour of AIB as security trustee;
- (c) a standard security over a property located in Scotland entered into by an Obligor in favour of AIB as security trustee; and
- (d) the assignation of contracts relating to the development of a property located in Scotland entered into by an Obligor in favour of AIB as security trustee.

The Company, the Parent and the Obligors have entered into a subordination agreement dated 22 December 2016 to regulate the ranking and payment of any inter-company debts owing by an Obligor to another Obligor, the Borrower, the Parent or the Company.

The Company has also undertaken to AIB to provide sufficient funding to the relevant Obligor which owns the Glasgow Property (as defined in the AIB Loan Agreement) to ensure that all payments are made under the Glasgow Development Agreement (if the relevant Obligor fails to make such payments).

The AIB Loan Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets of the Obligors; and
- (b) restrictions on disposals of assets.

The AIB Loan Agreement also contains financial covenants. Interest cover (“**IC**”) must be 150 per cent. on each test date (detailed below). Loan to Cost (“**LTC**”) must not exceed 55 per cent. at all times whilst a loan under the Development Facility is outstanding. Loan to Value (“**LTV**”) must not exceed 50 per cent. at all times.

LTV and LTC may be tested at any time. IC will be tested quarterly by the agent, and will be calculated on an accruals basis. In addition, the financial covenants must be complied with on each of the following dates: (i) on the date of the utilisation request; (ii) on the proposed utilisation date; and (iii) in respect of IC only, on 31 March, 30 June, 30 September, 31 December each year (from and including 31 December 2016).

In addition the events of default arising from a breach of the financial covenants, the AIB Loan Agreement also includes other events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each of Obligors and the Parent. An event of default which is continuing would entitle the Lender to:

- (a) cancel all or any part of the total commitments under the AIB Loan Agreement; and/or
- (b) declare that all or part of the amounts outstanding under the Finance Documents are (i) immediately due and payable and/or (ii) payable on demand; and
- (c) exercise or direct AIB in its capacity as security trustee to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

The AIB Loan Agreement is governed by English law.

#### 9.10 ***The FCB Loan Agreement***

Pursuant to the FCB Loan Agreement dated 2 March 2017 and entered into between (1) the Company (the “**Borrower**”) and (2) First Commercial Bank Ltd (acting through its London Branch) (the “**Lender**”), the Lender made available to the Borrower an unsecured term loan facility of up to £10 million (the “**FCB Loan Agreement**”).

The loan is available to draw for up to 12 months from 2 March 2017 and a maximum of two utilisations can be made. The Loan was fully drawn down in one utilisation on 10 March 2017. The Borrower must repay all amounts borrowed under the FCB Loan Agreement on 01 March 2020 (the “**Termination Date**”). The loan may be used for the general corporate purposes of the Borrower.

The interest rate on the FCB Loan is the percentage rate per annum equal to the aggregate of the applicable: (a) Margin; and (b) LIBOR (both as defined in the FCB Loan Agreement). The Margin is 1.8 per cent. per annum. The interest payment dates are the last day of the relevant Interest Period (as defined in the FCB Loan Agreement). Each Interest Period for a Loan is 3 months.

The Borrower can pre-pay the loan in whole or in part (in a minimum amount of £1 million) without penalty (on five business days’ notice).

The FCB Loan Agreement contains several financial covenants, including:

- (a) The ratio of Consolidated Equity to Consolidated Liabilities (each as defined in the FCB Loan Agreement) in respect of any Relevant Period shall not be less than 1:1.
- (b) The ratio of Consolidated EBIT to Interest on Consolidated Debt (each as defined in the FCB Loan Agreement) in respect of any Relevant Period shall not be less than 2:1.
- (c) The ratio of Stand-alone Equity to Total Liabilities (each as defined in the FCB Loan Agreement) in respect of any Relevant Period shall not be less than 1:1.

The financial covenants set out above are tested by reference to each of the financial statements and compliance certificates delivered by the Borrower.

The FCB Loan Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets of the Borrower or the wider group, except for (i) a Permitted Facility, (ii) Permitted Financial Indebtedness and (c) a Permitted Guarantee (each as defined in the FCB Loan Agreement); and
- (b) restrictions on disposals of assets (the Borrower may dispose of assets in the ordinary course of business and make disposals provided that (i) the aggregate market value of such disposals (other than disposals made in the ordinary course of business) does not exceed £10 million in any financial year and (ii) in any Financial Year, not more than 25 per cent. of the Group Portfolio can be disposed of.

In addition the events of default arising from a breach of the financial covenants, the FCB Loan Agreement also includes other events of default customary for a secured facility of this nature, including insolvency events of default. An event of default which is continuing would entitle the Lender to:

- (a) cancel all or any part of the total commitments under the FCB Loan Agreement; and/or
- (b) declare that all or part of the amounts outstanding under the Finance Documents are (i) immediately due and payable and/or (ii) payable on demand.

The FCB Loan Agreement is governed by English law.

#### 9.11 ***The Revcap Development Framework Agreement***

The Revcap Development Framework Agreement dated 16 June 2014 between Revcap and the Company. The Revcap Development Framework Agreement sets out a framework under which the Company and Revcap agree to cooperate through a joint venture to identify, acquire, secure planning and develop suitable properties and sites that can be developed or converted into prime student residential accommodation across Russell Group (or similar quality) university cities (a “**Relevant Project**”).

Each project will be acquired via a separate joint venture company and will be owned 50/50 between the Company (or a subsidiary of the Company) and an affiliated Revcap company. For a period of 36 months (the “**Lock up Period**”), both the Company and Revcap will each contribute a maximum of up to £15 million in capital to all such joint

venture projects. Such capital will be drawn down from the Company and Revcap, in equal proportion, into development joint ventures as required.

In connection with each joint venture development with Revcap, Empiric Developments Limited will enter into an asset management agreement pursuant to which Empiric Developments will be responsible for the day-to-day project management of each joint venture development. During the construction period, Empiric Developments Limited will receive a fee equal to 3.5 per cent. of the pre-agreed construction cost, payable quarterly. Empiric Developments Limited will also be entitled to receive an incentive profit share from each joint venture development, based on the IRR achieved. Distributions relating to a joint venture project will be distributed in the following order of priority: (i) first, *pari passu* between the joint venture parties until each has received an IRR of 20 per cent. on invested capital, and (ii) second 20 per cent. to Empiric Developments Limited and 80 per cent. *pari passu* between the Company and Revcap.

The Company will have a right to procure repayment by a joint venture company of the Revcap shareholder loan and to purchase Revcap's interest in the joint venture company. If the offer to repay the Revcap shareholder loan is approved by unanimous approval of the members' board, the Company would procure that the joint venture company repays the loan and pays a repayment fee equal to Revcap's agreed profit share for the project. If this right is exercised, the IRR incentive profit share (if any) due to the Company (as described above) would be reflected in an adjustment to the amount due on repayment of the Revcap shareholder loan. This pre-emption process would be capable of being triggered only once in relation to each relevant transaction.

After expiration of the period of 36 months from the entry into of the joint venture (the "**Lock-in Period**"), either the Company or Revcap will have the option of winding up the joint venture by providing notice to the other.

The Company, Paul Hadaway or Timothy Attlee (or any associates of Paul Hadaway or Timothy Attlee) (together the "**ESP Parties**"), undertake to disclose any Relevant Project to Revcap for a period of three years from the date of the agreement that has a total project cost of more than £3,000,000.

The Revcap Development Framework Agreement is governed by the laws of England and Wales.

## 9.12 ***The Depositary Agreement***

The Depositary Agreement dated 27 November 2014 entered into between the Company and Kingfisher Property Partnerships Limited pursuant to which the Company appointed the Depositary to act as the sole depositary of the Company and be responsible for: (i) ensuring the Company's cash flows are properly monitored; (ii) the safe keeping of the assets of the Company; and (iii) the oversight and supervision of the Company (as its own AIFM).

Under the terms of the Depositary Agreement, the Depositary is entitled to an initial fee of £3,000 and a depositary fee of £20,000 per annum but subject to increase in line with the increase in the Company's assets under management up to a maximum fee of £40,000 per annum (exclusive of VAT). The Depositary is entitled to reimbursement of all expenses (exclusive of VAT) properly incurred in connection with its duties.

The Depositary Agreement is terminable by either the Company on one month's written notice or the Depositary on three months' written notice (unless it is unable for regulatory reasons to perform its duties in which case it can terminate on one month's notice). The Depositary Agreement may be terminated with immediate effect by either the Company or

the Depositary on the occurrence of certain events, including *inter alia*: the Depositary ceasing to be an authorised person permitted under FSMA to act as a depositary, the Company ceasing to be authorised as an internally managed AIF, a breach of warranty by the Company or in the case of insolvency of the Company.

The Company has given certain market standard indemnities in favour of the Depositary in respect of the Depositary's potential losses in carrying on its responsibilities under the Depositary Agreement.

The Depositary Agreement is governed by the laws of England and Wales.

#### 9.13 ***The Administration and Company Secretarial Agreement***

The Administration and Company Secretarial Agreement dated 16 June 2014 between the Company and FIM Capital Limited pursuant to which the Administrator agreed to act as company secretary and administrator to the Company and its subsidiaries.

Under the terms of the Administration and Company Secretarial Agreement, the Administrator is entitled to a fee of £30,000 per annum (exclusive of VAT). This fee is subject to review annually.

The Administration and Company Secretarial Agreement contains provisions whereby the Company indemnifies and holds harmless the Administrator, its affiliates and their directors, officers, employees and agents from and against any and all losses incurred by such parties resulting or arising from the Company's breach of the Administration and Company Secretarial Agreement except to the extent that any such claims have resulted from the negligence, fraud, breach of the Administration and Company Secretarial Agreement by the Administrator.

The Administration and Company Secretarial Agreement is terminable, *inter alia*, (a) upon six months' written notice, or (b) immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator or a party committing a material breach of the Administration and Company Secretarial Agreement (where such breach has not been remedied within thirty days of written notice being given).

The Administration and Company Secretarial Agreement is governed by the laws of England and Wales.

#### 9.14 ***The Registrar Agreement***

The Registrar Agreement dated 16 June 2014 between the Company and Computershare Investor Services PLC pursuant to which the Registrar agreed to act as registrar to the Company.

Under the agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

The Registrar Agreement may be terminated on six months' notice by either party, such notice not to expire prior to the end of the second year of appointment and is also terminable on shorter notice in the event of breach of the agreement or insolvency.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the

Registrar Agreement. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar Agreement is governed by the laws of England and Wales.

#### 9.15 ***The Receiving Agent Agreement***

The Receiving Agent Agreement dated 4 July 2017 between the Company and Computershare Investor Services PLC pursuant to which the Receiving Agent has agreed to act as receiving agent in connection with the Open Offer and the Offer for Subscription. Under the terms of the agreement, the Receiving Agent is entitled to a fee at an hourly rate, plus a processing fee per application. The Receiving Agent will also be entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liabilities under the Receiving Agent Agreement are subject to a cap.

The Receiving Agent Agreement is governed by the laws of England and Wales.

### 10 **LITIGATION**

There are no governmental, legal or arbitration proceedings, (including any such proceedings pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, a significant effect on the Company and/or the Group's financial position or profitability.

### 11 **WORKING CAPITAL**

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

### 12 **CAPITALISATION AND INDEBTEDNESS**

The following table, sourced from the Company's internal accounting records, shows the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 30 April 2017:

	<i>30 April 2017</i> <i>(Unaudited)</i> <i>(£'000)</i>
Total current debt:	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
Total non-current debt (excluding current portion of long-term debt):	
Guaranteed	–
Secured	283,337
Unguaranteed/unsecured	–
<b>Total indebtedness</b>	<b>283,337</b>

The following table, sourced from the Company's internal accounting records, shows the Company's audited capitalisation as at 31 December 2016 being the date of the Group's last published audited financial statements. There has been no material change to this information since 31 December 2016:

	<i>31 December 2016</i> <i>(Audited)</i> <i>(£'000)</i>
Capitalisation:	
Share capital	5,013
Legal reserves	359,958
Other reserves <sup>(1)</sup>	106,198
<b>Total capitalisation</b>	<b><u>471,169</u></b>

(1) Other reserves comprise the capital reduction reserve, but exclude retained earnings and the cash flow hedge reserve.

The following table shows the Company's unaudited net indebtedness as at 30 April 2017:

	<i>30 April 2017</i> <i>(Unaudited)</i> <i>(£'000)</i>
Cash	34,360
Cash equivalent	–
Trading securities	–
Liquidity	<u>34,360</u>
Current financial receivables <sup>(2)</sup>	8,906
Current bank debt	–
Current portion of non-current debt	–
Other current financial debt	–
Current financial debt	<u>–</u>
Net-current financial liquidity	<u>43,266</u>
Non-current bank loans	(283,337)
Bonds issued	–
Other non-current loans	–
Non-current financial indebtedness	<u>(283,337)</u>
Net financial indebtedness	<b><u>(240,071)</u></b>

(2) Current financial receivables represent cash held by property managers.

As at 30 April 2017 the Group had no indirect or contingent indebtedness.

### **13 NO SIGNIFICANT CHANGE**

Save to the extent disclosed below, there has been no significant change in the financial or trading position of the Group since 31 December 2016, being the end of the period covered by the historical financial information:

- (a) an interim dividend of 1.55 pence per Share was declared on 11 January 2017 in relation to the quarter ended 31 December 2016;
- (b) on 16 January 2017 Empiric (York Foss Studios 1) Limited acquired the freehold of Foss Studios for a purchase price of £23.3 million (excluding costs);

- (c) on 19 January 2017 the Group acquired the land and entered into a forward funded development agreement for Percy's Lane, York for a total funding commitment of £9.245 million;
- (d) on 2 March 2017 the Company agreed a new unsecured term loan facility of £10 million with First Commercial Bank Limited;
- (e) on 30 March 2017 the Group acquired the 50 per cent. share in Empiric (Glasgow) Limited previously owned by an investment fund affiliated with Revcap for c. £4.65 million. The Group now owns 100 per cent. of the interest in Willowbank in Glasgow;
- (f) on 10 May 2017 the Company declared a dividend of 1.525 pence per Share in respect of the quarter ended 31 March 2017; and
- (g) on 4 July 2017 the Company declared a dividend of 1.525 pence per Share in respect of the quarter ended 30 June 2017.

#### **14 RELATED PARTY TRANSACTIONS**

Between the date of the Company's incorporation and 30 June 2017, the Company has paid in aggregate £842,670 to Revcap under the terms of an investment support agreement dated 16 June 2014 entered into between the Company and Revcap. Revcap was deemed to be a related party as one of its employees, Stephen Alston, is a Director. The investment support agreement terminated on 30 June 2017.

On 16 June 2014, the Company entered into sale and purchase agreements relating to the acquisition of College Green (Bristol), Summit House (Cardiff), Picturehouse Apartments (Exeter) and Edge Apartments (Birmingham). The vendors of these properties were joint venture companies in which Paul Hadaway, Timothy Attlee and Revcap had equity interests.

Save as set out above, the Company has not entered into any related party transaction at any time during the period from incorporation to the date of this Prospectus.

#### **15 INTERMEDIARIES**

The Intermediaries authorised at the date of this Prospectus to use this Prospectus in connection with the offering of the Shares pursuant to the Issue are:

<i>Name</i>	<i>Address</i>
AJ Bell Youinvest	Calverley House, 55 Calverley Road, Tunbridge Wells, TN1 2TU
Alliance Trust Savings	PO Box 164, 8 West Marketgait, Dundee, DD1 9YP
Barclays Stockbrokers	1 Churchill Place, London E14 5HP
Equiniti Financial Services Limited (Selftrade, Shareview, Saga Share Direct)	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
Jarvis Investment Management Ltd (Sharedeal Active, x-o.co.uk)	8 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS
Redmayne-Bentley	9 Bond Court, Leeds LS1 2JZ
SVS Securities Plc	20 Ropemaker Street, London EC2Y 9AR

## **16 GENERAL**

- 16.1 CBRE Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears and has authorised the contents of the Valuation Report for the purposes of Prospectus Rule 5.5.3R(2)(f). CBRE accepts responsibility for the Valuation Report. To the best of the knowledge and belief of CBRE (who has taken all reasonable care to ensure that such is the case), the information contained in the Valuation Report is in accordance with the facts and contains no omission likely to affect the import of such information. CBRE was incorporated in England and Wales on 27 March 1998 as a private limited company under the Companies Act 2006 (registered number 03536032). CBRE's registered office is situated at St Martin's Court, 10 Paternoster Row, London EC4M 7HP (telephone number 0207 182 2000).
- 16.2 BDO LLP has been the only auditor of the Company since incorporation. BDO LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.
- 16.3 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. All information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 16.4 The accounting reference date of the Company is 31 December.
- 16.5 The assets of the Group are held and controlled by the Group directly and no assets are held in third party custody arrangements.

## **17 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of the Company and the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until Admission:

- (a) the memorandum of association of the Company and the Articles;
- (b) the consolidated financial statements of the Group for the period from incorporation to 30 June 2015;
- (c) the consolidated financial statements of the Group for the 12 month financial period ended 30 June 2016;
- (d) the consolidated financial statements of the Group for the 6 month financial period ended 31 December 2016;
- (e) the Valuation Report; and
- (f) this Prospectus.

## PART 10

### AIFMD – ARTICLE 23 DISCLOSURES

This Part 10 contains the information required to be made available to investors in the Company before they invest, pursuant to Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and UK implementing measures (the Alternative Investment Fund Managers Regulations No.1773/2013, and consequential amendments to the FCA Handbook).

This Part 10 contains solely that information that the Company (as its own AIFM) is required to make available to investors pursuant to the AIFM Directive and should not be relied upon as the basis for any investment decision.

DISCLOSURE REQUIREMENT	DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE
1(a) a description of the investment strategy and objectives of the Company;	Information on the investment strategy and objectives of the Company are outlined in paragraphs 8 and 9 of Part 1 of this Prospectus.
(b) if the Company is a feeder fund, information on where the master fund is established;	N/a
(c) if the Company is a fund of funds, information on where the underlying funds are established;	N/a
(d) a description of the types of assets in which the Company may invest;	The types of assets in which the Company may invest are outlined in paragraph 2 of Part 1 under the heading “Investment Strategy” and Part 2 of this Prospectus.
(e) the investment techniques that the Company may employ and all associated risks;	The investment techniques used by the Company are described in Part 1 of this Prospectus.  The section entitled “Risk Factors” (pages 28 to 39 inclusive) of this Prospectus provide an overview of the risks involved in investing in the Company.
(f) any applicable investment restrictions;	The investment restrictions applicable to the Company are set out in paragraph 10 of Part 1 of this Prospectus under the heading “Investment Restrictions”.
(g) the circumstances in which the Company may use leverage;	The circumstances in which the Company may use leverage and the restrictions on the use of leverage are described in paragraph 11 of Part 1 under the heading “Borrowing Policy” of this Prospectus.
(h) the types and sources of leverage permitted and the associated risks;	Certain Group companies have, and the Group expects in the future, to take on 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 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

	<p>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' use (and which the Group will in the future 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>Group companies may incur debt with interest payable based on LIBOR. Depending upon market conditions the relevant borrowing Group companies may hedge or partially hedge interest rate exposure on borrowings, however such measures may not be sufficient to protect the Group from adverse movements in prevailing interest rates to the extent exposures are unhedged or hedges are inadequate to offer full protection. If exposures are hedged, interest rate movements may lead to mark-to-market movements in the value of the hedging instrument, which may be positive or negative and upon breaking of such hedges may cause crystallisation of gains or losses for the Group. In addition, hedging arrangements expose the Group to credit risk in respect of the hedging counterparty. Increased exposure to interest rate movements 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>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>
(i) 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. Development</p>

	loans, however, will only be secured at the individual asset level, without recourse to the Group's other assets or revenues.
(j) the maximum level of leverage which the Company is entitled to employ;	<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. If gearing is employed, the Company will maintain a conservative level of aggregate borrowings typically of 35 per cent., but no more than 40 per cent., of the Gross Asset Value (calculated at the time of draw down) and will comply with the REIT condition relating to the ratio between the Company's 'property profits' and 'property finance costs'.</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>
(2) a description of the procedures by which the Company may change its investment strategy or investment policy, or both;	No material change will be made to the investment policy and investment restrictions without the prior approval of the FCA and of Shareholders by ordinary resolution. Any change to the investment policy or investment restrictions which does not amount to a material change to the investment policy may be made by the Company without the approval of the FCA and the Shareholders.
(3) 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 judgments in the territory where the Company is established;	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 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><b>Jurisdiction and applicable law</b></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><b>Recognition and enforcement of foreign judgments</b></p> <p>Regulation (EC) 593/2008 ("<b>Rome I</b>") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's court may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.</p> <p>Shareholders should note that there are 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, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgment (Reciprocal Enforcement) Act 1933 may apply. 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>(4) the identity of the AIFM, the Company's depositary, the auditor and any other service providers and a description of their duties and the investors' rights;</p>	<p>The Company is an internally managed alternative investment fund and consequently, for the purposes of the AIFM Directive, is its own AIFM.</p> <p><b>Administrator and company secretary:</b></p> <p>FIM Capital Limited, 7 Cavendish Square, London W1G 0PE.</p> <p>FIM Capital Limited has been appointed as administrator and company secretary to the Company. The Administrator</p>

provides company secretarial functions required by the Companies Act. The Company's statutory records are maintained at the Company's registered office. In addition, the Administrator provides certain agreed administration functions to the Company.

**Registrar:**

Computershare Investor Services PLC, The Pavilions, Bridgwater Road Bristol BS13 8AE.

The Company utilises the services of Computershare Investor Services PLC as registrar in relation to the transfer and settlement of Shares.

**Depositary:**

Kingfisher Property Partnerships Limited, 41-43 Maddox Street, London W1S 2PD.

Kingfisher Property Partnerships Limited has been appointed as depositary to the Company. The Depositary acts as the sole depositary of the Company and is, amongst other things, responsible for:

- 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 (as its own AIFM).

**Auditor:**

BDO LLP, 55 Baker Street, London W1U 7EU.

BDO LLP provides audit services to the Group. The auditor's principal responsibilities are to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts are prepared according to accounting standards laid out under IFRS, and EPRA's best practice recommendations.

**Investors' Rights**

The Company is reliant on the performance of third party service providers, including the Administrator, the Depositary, the Auditor and the Registrar.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual

	<p>claim against any service provider with respect to such service provider's default.</p> <p>In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.</p> <p>The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.</p> <p>Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against FCA authorised service providers to the Financial Ombudsman Service ("<b>FOS</b>") (further details of which are available at <a href="http://www.fscs.org.uk">www.fscs.org.uk</a>). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("<b>FSCS</b>") 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 can be found at <a href="http://www.fscs.org.uk">www.fscs.org.uk</a>. 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.</p>
<p>(5) a description of how the Company complies with the requirements referred to in IPRU-INV 11.3.11G (Professional negligence) relating to professional liability risk;</p>	<p>Professional liability risks resulting from those activities which the Company carries out pursuant to the AIFM Directive, are, to the extent required by law, covered by the Company through additional own funds.</p>
<p>(6) a description of:  (a) any management function delegated by the Manager;</p>	<p>The Company (as its own AIFM) has not delegated any significant function and is responsible for the discretionary portfolio management and exercising the risk management functions in respect of the Company.</p>
<p>(b) any safe-keeping function delegated by the depositary;</p>	<p>N/a</p>
<p>(c) the identity of each delegate appointed in accordance with FUND 3.10 (Delegation); and</p>	<p>N/a</p>

<p>(d) any conflicts of interest that may arise from such delegations;</p>	<p>N/a</p>
<p>(7) a description of the Company'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><b>Property valuation:</b></p> <p>The Directors use CBRE as property valuer to the Company. Valuations of the Company's properties are conducted semi-annually as at 30 June and 31 December in each year. The market value of the Group's properties will be determined by CBRE in accordance with the internationally accepted RICS Valuation – Professional Standards (edition pertaining as at the valuation date).</p> <p>Details of each semi-annual valuation, and of any suspension in the making of such valuations, are announced by the Company via a Regulatory Information Service announcement as soon as practicable after the relevant valuation date.</p> <p><b>Calculation of Net Asset Value</b></p> <p>The Net Asset Value (and Net Asset Value per Share) is calculated semi-annually by the Company (and reviewed by the Administrator). Calculations are made in accordance with IFRS and EPRA's best practice recommendations. Details of each semi-annual valuation, and of any suspension in the making of such valuations, are announced by the Company via a Regulatory Information Service announcement as part of its results announcement as soon as practicable after the end of the relevant half-year. The semi-annual valuations of the Net Asset Value (and Net Asset Value per Share) are calculated on the basis of the most recent valuation of the Property Portfolio.</p>
<p>(8) a description of the Company'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 11 February 2014 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 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>(9) a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors;</p>	<p>The costs and expenses (including irrecoverable VAT) of, and incidental to, the Issue are expected to be 2 per cent. of the Gross Proceeds.</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>(10) a description of how the Company ensures a fair treatment of investors;</p>	<p>As a company listed on the UKLA'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 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 <i>pari passu</i> with each other.</p>
<p>(11) whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of:</p>	<p>N/a</p>
<p>(a) that preferential treatment;</p>	<p>N/a</p>
<p>(b) the type of investors who obtain such preferential treatment; and</p>	<p>N/a</p>
<p>(c) where relevant, their legal or economic links with the Company;</p>	<p>N/a</p>
<p>(12) the procedure and conditions for the issue and sale of units or shares;</p>	<p>The Shares are admitted to trading on the London Stock Exchange's main market for listed securities. Accordingly, the Shares may be purchased and sold on the main market.</p> <p>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.</p>

(13) the latest net asset value of the Company or the latest market price of the unit or share of the Company, in line with FUND 3.9 (Valuation);	As at 30 April 2017, the unaudited basic estimated Net Asset Value per Share was 107.75 pence.  When published, net asset value announcements can be found on the Company's website: <a href="http://www.empiric.co.uk">www.empiric.co.uk</a> .
(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 ended 31 December 2016 in line with FUND 3.3.  When published, annual reports can be found on the Company's website: <a href="http://www.empiric.co.uk">www.empiric.co.uk</a>
(15) where available, the historical performance of the Company;	The Company has published its audited financial statements for the period ended 31 December 2016.  When published, annual and interim financial statements can be found on the Company's website: <a href="http://www.empiric.co.uk">www.empiric.co.uk</a> .
(16)  (a) the identity of the prime brokerage firm;	N/a
(b) a description of any material arrangements of the Company with its prime brokerage firm and the way any conflicts of interest are managed;	N/a
(c) the provision in the contract with the depositary on the possibility of transfer and reuse of Company assets; and	N/a
(d) information about any transfer of liability to the prime brokerage firm that may exist; and	N/a
(17) a description of how and when the information required under FUND 3.2.5 R and FUND 3.2.6 R will be disclosed.	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):  (1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature, if applicable;  (2) any new arrangements for managing the liquidity of the Company; and  (3) the current risk profile of the Company and the risk management systems employed by the Company to manage those risks.  Information will also be provided to investors regarding any changes to:  (a) the maximum level of leverage that the Company may employ;

	<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>
	<p><b>Amendment of this Part 10</b></p> <p>When there is a material change to the information contained in these disclosures, it shall be updated.</p>

## **PART 11**

### **TERMS AND CONDITIONS OF THE PLACING**

#### **1 INTRODUCTION**

Each Placee which confirms its agreement (whether orally or in writing) to Jefferies to acquire Shares pursuant to the Placing will be bound by these terms and conditions and will be deemed to have accepted them.

Jefferies may require any Placee procured by it to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as Jefferies (in its absolute discretion) sees fit and may require any such Placee to execute a separate placing letter.

#### **2 AGREEMENT TO SUBSCRIBE FOR SHARES**

Conditionally upon:

- 2.1 Admission occurring and becoming effective by 8.00 a.m. (London time) on 24 July 2017 (or such later time and/or date as the Company and Jefferies may agree (not being later than 8.00 a.m. on 31 August 2017));
- 2.2 the Placing Agreement becoming otherwise unconditional in all respects (save as to Admission) and not having been terminated in accordance with its terms on or before Admission; and
- 2.3 Jefferies confirming to Placees their allocation of Shares, each Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by Jefferies at the Issue Price (and subject to clawback in respect of valid applications under the Open Offer and the Excess Application Facility).

To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

#### **3 PAYMENT FOR SHARES**

Each Placee must pay the Issue Price for the Shares issued to the Placee in the manner and by such time as directed by Jefferies. If any Placee fails to pay as so directed and/or by the time required by Jefferies, the relevant Placee shall be deemed hereby to have appointed Jefferies or any nominee of Jefferies as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Shares allocated to the Placee in respect of which payment shall not have been made as directed, and to indemnify Jefferies and its affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales.

A sale of all or any of such Shares shall not release the relevant Placee from the obligation to make such payment for relevant Shares to the extent that Jefferies or its nominee has failed to sell such Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Issue Price per Share.

#### **4 REPRESENTATIONS AND WARRANTIES**

By agreeing to subscribe for Shares, each Placee that is outside the United States and is not a U.S. Person and which enters into a commitment with Jefferies to subscribe for Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such

person(s)) be deemed to represent and warrant to Jefferies, Akur, the Registrar, the Company and their respective officers, agents and employees that:

- 4.1 it is not a U.S. Person, is not located within the United States and is not acquiring the Shares for the account or benefit of a U.S. Person;
- 4.2 it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S;
- 4.3 it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Shares into or within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.4 it is relying solely on this Prospectus and any supplementary prospectus issued by the Company prior to Admission and not on any other information given, or representation or statement made at any time, by any person concerning the Company and/or the Placing. It agrees that none of the Company, Jefferies, Akur nor the Registrar nor any of their respective officers, agents or employees will have any liability for any other information, representation or statement made or purported to be made by them or on its or their behalf in connection with the Company and/or the Placing and irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.5 if the laws of any territory or jurisdiction outside England and Wales are applicable to its agreement to subscribe for Shares under the Placing, it has complied with all such laws, obtained all governmental and other consents, licences and authorisations which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the breach, whether by itself, the Company, Akur, Jefferies, the Registrar or any of their respective directors, officers, agents or employees of the regulatory or legal requirements, directly or indirectly, of any other territory or jurisdiction in connection with the Placing;
- 4.6 it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part 11 and the Articles as in force at the date of Admission and agrees that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Shares;
- 4.7 it has not relied on Jefferies, Akur or any person affiliated with Jefferies or Akur in connection with any investigation of the accuracy or completeness of any information contained in this Prospectus or any supplementary prospectus published by the Company prior to Admission;
- 4.8 the content of this Prospectus and any supplementary prospectus published by the Company prior to Admission is exclusively the responsibility of the Company, and the Directors and neither Jefferies, Akur nor any person acting on their respective behalves nor any of its respective affiliates is responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any supplementary prospectus published by the Company prior to Admission or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this Prospectus or any supplementary prospectus published by the Company prior to Admission or otherwise;

- 4.9 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission and, if given or made, any information or representation must not be relied upon as having been authorised by Jefferies, Akur or the Company;
- 4.10 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.11 it acknowledges that the Shares have not been and will not be registered under the U.S. 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 in the United States or to, or for the account or benefit of, U.S. Persons except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the U.S. Investment Company Act;
- 4.12 it accepts that none of the Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Shares may not be offered, sold or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;
- 4.13 it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
- 4.14 no portion of the assets used to acquire, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the U.S. Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Code; or (iii) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or a “plan” described in preceding clause (i) or (ii) in such entity, pursuant to 29. C.F.R. 2510.3-101 as modified by Section 3(42) of ERISA. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Code, its acquisition, holding, and disposition of the Shares will not constitute a violation of law or result in a non-exempt prohibited transaction under Section 503 of the U.S. Code or any substantially similar law;
- 4.15 if any Shares are issued to it in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

EMPIRIC STUDENT PROPERTY PLC (THE “**COMPANY**”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**U.S. INVESTMENT COMPANY ACT**”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD,

PLEGGED OR OTHERWISE TRANSFERRED EXCEPT (I) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE PROVISIONS OF REGULATION S UNDER THE U.S. SECURITIES ACT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON, BY PRE-ARRANGEMENT OR OTHERWISE AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT, OR (II) WITHIN THE UNITED STATES IN ACCORDANCE WITH RULE 144 OF THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, IN EACH CASE OF CLAUSE (I) OR (II), IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, UPON SURRENDER OF THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE AND DELIVERY OF A WRITTEN CERTIFICATION THAT SUCH TRANSFEROR IS IN COMPLIANCE WITH THE REQUIREMENTS OF THIS CLAUSE IN THE FORM OF A DULY COMPLETED AND SIGNED OFFSHORE TRANSACTION LETTER (THE FORM OF WHICH MAY BE OBTAINED FROM THE REGISTRAR) TO THE COMPANY, WITH COPIES TO THE REGISTRAR AND THE ADMINISTRATOR. IN ADDITION, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEGGED OR OTHERWISE TRANSFERRED TO ANY PERSON USING THE ASSETS OF (I) (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF ERISA THAT IS SUBJECT TO TITLE I OF ERISA; (B) A "PLAN" AS DEFINED IN SECTION 4975 OF THE U.S. CODE, INCLUDING AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. CODE; OR (C) AN ENTITY WHICH IS DEEMED TO HOLD THE ASSETS OF ANY OF THE FOREGOING TYPES OF PLANS, ACCOUNTS OR ARRANGEMENTS THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE U.S. CODE OR (II) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE U.S. CODE IF THE PURCHASE, HOLDING OR DISPOSITION OF THE SECURITIES WILL NOT RESULT IN A VIOLATION OF APPLICABLE LAW AND/OR CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 503 OF THE U.S. CODE OR ANY SUBSTANTIALLY SIMILAR LAW.

- 4.16 if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the Shares or any beneficial interest therein, it will do so only: (i) in an "offshore transaction" complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by prearrangement or otherwise; (ii) within the United States in accordance with Rule 144 of the U.S. Securities Act, if available, and in compliance with any applicable securities laws of any state or other jurisdiction in the United States; or (iii) to the Company or a subsidiary thereof;
- 4.17 it is acquiring the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 4.18 if it is a resident in the European Economic Area (other than the United Kingdom), it is (a) a "qualified investor" within the meaning of the law in the Relevant Member State implementing Article 2(1)(c)(i), (ii) or (iii) of the Prospectus Directive (as amended) and (b) if that Relevant Member State has implemented the AIFM Directive, that it is a person to whom the Shares may be lawfully marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that Relevant Member State;

- 4.19 in the case of any Shares acquired in the Placing by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive: (i) the Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than “qualified investors”, as that term is defined in the Prospectus Directive (as amended), or in circumstances in which the prior consent of Jefferies has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than “qualified investors”, the offer of those Shares to it is not treated under the Prospectus Directive (as amended) as having been made to such persons;
- 4.20 if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other legal requirements;
- 4.21 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- 4.22 if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor’s agreement to subscribe for Shares under the Placing and will not be any such person on the date any such relevant Placing commitment is accepted;
- 4.23 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Placing or the Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.24 it acknowledges that neither Jefferies nor Akur nor any of their respective affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing, that participation in the Placing is on the basis that it is not and will not be a client of Jefferies, Akur or any of their affiliates and that Jefferies, Akur and their respective affiliates do not have any duties or responsibilities to a Placee for providing protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement;
- 4.25 it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing by each such account: (i) to subscribe for the Shares for each such account; (ii) to make on each such account’s behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by Jefferies. It agrees that the provisions of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.26 it irrevocably appoints any Director of the Company and any director of Jefferies to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Placing in the event of the failure of it to do so;

- 4.27 it accepts that if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Shares for which valid applications are received and accepted are not admitted to the premium listing segment of the Official List or to trading on the Main Market for any reason whatsoever then neither Jefferies, Akur nor the Company nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives shall have any liability whatsoever to it or any other person;
- 4.28 in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the UK Money Laundering Regulations in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (Council Directive No. 91/308/EEC) (the "**Money Laundering Directive**"); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.29 it acknowledges that due to anti-money laundering requirements, Jefferies, the Company and/or their agents may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Jefferies, the Company and/or their agents may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Jefferies, the Company and/or their agents against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis;
- 4.30 Jefferies and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
- 4.31 the representations, undertakings and warranties given by it are irrevocable. It acknowledges that Jefferies, Akur (to the extent applicable) and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or agreements made or deemed to have been made by its subscription of the Shares are no longer accurate, it shall promptly notify Jefferies and the Company;
- 4.32 where it or any person acting on behalf of it is dealing with Jefferies any money held in an account with Jefferies on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Jefferies to segregate such money, as that money will be held by Jefferies under a banking relationship and not as trustee;
- 4.33 any of its clients, whether or not identified to Jefferies, will remain its sole responsibility and will not become clients of Jefferies or Akur, for the purposes of the rules of the FCA or for the purposes of any statutory or regulatory provision;
- 4.34 it accepts that the allocation of Shares shall be determined by the Directors (in consultation with Jefferies) in their absolute discretion and that such persons may scale back any placing commitments in respect of the Placing for this purpose on such basis as the Directors (in consultation with Jefferies) may determine; and

- 4.35 time shall be of the essence as regard its obligations to settle payment for the Shares and to comply with its other obligations under the Placing.

## **5 SUPPLY AND DISCLOSURE OF INFORMATION**

If Jefferies, the Registrar or the Company or any of their agents request any information about a Placee's agreement to purchase Shares under the Placing, such Placee must promptly disclose it to them.

## **6 MISCELLANEOUS**

- 6.1 The rights and remedies of Jefferies, Akur, the Registrar and the Company, the Board and affiliates under the terms and conditions set out in this Part 11 are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 6.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally to Jefferies the jurisdiction in which its funds are managed or owned. All documents will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified to Jefferies.
- 6.3 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Shares that the Placee has agreed to subscribe pursuant to the Placing have been acquired by the Placee. The contract to subscribe for Shares under the Placing and the appointments and authorities mentioned in this Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Jefferies, Akur, the Registrar and the Company each Placee irrevocably submits to the exclusive jurisdiction of the courts of England and Wales waives any objection to proceedings in any such courts on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.
- 6.4 In the case of a joint agreement to purchase Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 6.5 Jefferies and the Company expressly reserve the right to modify the terms of the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.
- 6.6 The Placing is subject to the satisfaction of the conditions relating to the Placing contained in the Placing Agreement and the Placing Agreement not having been terminated prior to Admission.

## PART 12

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1 INTRODUCTION

The Company may issue up to 71,611,295 Shares at the Issue Price under the Open Offer.

The Open Offer is an opportunity for Qualifying Shareholders to apply for Shares *pro rata* to their holdings as at the Record Date at the Issue Price on the basis of 1 new Share for every 7 existing Shares held at the Record Date in accordance with the terms of the Open Offer.

The Record Date for entitlements, under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 6.00 p.m. on 30 June 2017. Open Offer Application Forms for Qualifying Non-CREST Shareholders accompany this Prospectus.

The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant instructions (as appropriate) is expected to be 11.00 a.m. on 19 July 2017, with Admission and commencement of dealings in the Shares expected to take place at 8.00 a.m. on 24 July 2017.

This Prospectus and, for Qualifying Non-CREST Shareholders only, the Open Offer Application Forms contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraphs 4.1 and 4.2 of this Part 12 which gives details of the procedure for application and payment for the Shares under the Open Offer.

The Excess Application Facility is an opportunity for Qualifying Shareholders who have applied for all of their Basic Entitlements to apply for additional Shares. The Excess Application Facility will be comprised of Shares that are not taken up by existing Shareholders under the Open Offer pursuant to their Basic Entitlements and aggregated fractional entitlements under the Open Offer.

There is no limit on the amount of Shares that can be applied for by existing Shareholders under the Excess Application Facility, save that the maximum amount of Shares to be allotted under the Excess Application Facility shall be the maximum size of, together, the Placing, the Open Offer and the Offer for Subscription, less the number of Shares issued under the Open Offer pursuant to Qualifying Shareholders' Basic Entitlements and any Shares that the Directors determine to issue under the Placing and Offer for Subscription. Applications under the Excess Application Facility will be allocated in the event of over-subscription *pro rata* to Qualifying Shareholders' applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. To the extent any Shares remain unallocated pursuant to the Basic Entitlements and under the Excess Application Facility, and the Placing and/or the Offer for Subscription is oversubscribed, such Shares may, at the Board's discretion, be allocated to subscribers under the Placing and/or the Offer for Subscription.

Application will be made to the UK Listing Authority for the Shares to be admitted to listing on the premium listing segment of the Official List. Application will also be made to the London Stock Exchange for the Shares to be admitted to trading on the Main Market.

If you sell or have sold or otherwise transferred your Shares in certificated form before 8.00 a.m. on 4 July 2017 (being the ex-entitlement date for the Open Offer) please send this Prospectus, together with any Open Offer Application Form, if received, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee except that this Prospectus and the Open Offer Application Form should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do

so may constitute a violation of local securities laws or regulations, including, but not limited to, the Excluded Territories. If you sell or have sold or otherwise transferred all or some of your Shares held in uncertificated form before 8.00 a.m. on 4 July 2017 (being the ex-entitlement date for the Open Offer), a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Basic Entitlements and Excess CREST Open Offer Entitlements to the purchaser or transferee. If you sell or have sold or have otherwise transferred only part of your holding of Shares held in certificated form before 8.00 a.m. on 4 July 2017 (being the ex-entitlement date for the Open Offer), you should refer to the instruction regarding split applications in this Part 12.

## **2 THE OPEN OFFER**

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Open Offer Application Form), under the Open Offer, an aggregate of 71,611,295 million Shares will be made available to Qualifying Shareholders at the Issue Price *pro rata* to their holdings of Shares, on the terms and subject to the conditions of the Open Offer on the basis of:

### **1 new Share for every 7 existing Shares**

held and registered in their name at the Record Date.

Applications by Qualifying Shareholders made and accepted in accordance with these terms and conditions will be satisfied in full up to the amount of their individual Basic Entitlements.

Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to new Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Accordingly, Qualifying Shareholders with fewer than 7 existing Shares will not receive a Basic Entitlement but may apply for Shares under the Excess Application Facility.

Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish. In addition, Qualifying Shareholders who apply for all their Basic Entitlement may also apply to acquire Shares using the Excess Application Facility.

Holdings of Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Open Offer Application Form shows the number of Shares available to you under your Basic Entitlement (in Box B). Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes D, E, F and G on the Open Offer Application Form.

Qualifying CREST Shareholders will have Basic Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part 12 for information on the relevant CREST procedures. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures. The Basic Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. on 5 July 2017.

**Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Open Offer Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, and enabled for settlement, neither the Basic Entitlements nor the**

**Excess CREST Open Offer Entitlements will be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights, and will not receive any benefit, under the Open Offer. Any Shares which are not applied for in respect of the Open Offer may be allotted to Qualifying Shareholders to meet valid applications under the Excess Application Facility or, if not applied for under the Excess Application Facility, may be issued to the subscribers under the Placing and/or the Offer for Subscription, with the proceeds retained for the benefit of the Company.**

### **3 CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER**

The Open Offer is conditional upon, amongst other things, Admission becoming effective by not later than 8.00 a.m. on 24 July 2017 or such later time and/or date as the Company and/or Jefferies may agree (being not later than 8.00 a.m. on 31 August 2017) and the Placing Agreement becoming unconditional in all respects (other than as to Admission).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without interest, as soon as practicable thereafter.

No temporary documents of title will be issued. Definitive certificates in respect of Shares are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Shares in certificated form in the week commencing 7 August 2017. In respect of those Qualifying Shareholders who have validly elected to hold their Shares in uncertificated form, the Shares are expected to be credited to their stock accounts maintained in CREST on 24 July 2017.

Application will be made to the UK Listing Authority for the Shares to be admitted to listing on the premium listing segment of the Official List. Application will also be made to the London Stock Exchange for the Shares to be admitted to trading on the Main Market. Admission is expected to occur on 24 July 2017, when dealings in the Shares are expected to begin.

All monies received by the Receiving Agent in respect of Shares will be credited to an account by the Receiving Agent. Any interest earned on monies in such account will be retained by and for the benefit of the Company.

If for any reason it becomes necessary to adjust the expected timetable as set out in this Prospectus, the Company will notify the UKLA and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

### **4 PROCEDURE FOR APPLICATION AND PAYMENT IN RESPECT OF THE OPEN OFFER**

The action to be taken by you in respect of the Open Offer depends on whether you hold your Shares in certificated or uncertificated form.

Qualifying Non-CREST Shareholders will receive the Open Offer Application Form enclosed with this Prospectus. The Open Offer Application Form shows Qualifying Non-CREST Shareholders the number of Shares available under their Basic Entitlement that can be allotted in certificated form. Qualifying CREST Shareholders will be allotted Shares in CREST. Qualifying Shareholders who hold part of their Shares in uncertificated form will be allotted Shares in uncertificated form to the extent that their entitlement to Shares arises as a result of holding Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Basic Entitlements into, and

withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of this Part 12.

CREST sponsored members should refer to their CREST sponsor as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply for Shares in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

**Qualifying Shareholders who do not wish to apply for the Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form, or send a USE message through CREST.**

#### 4.1 **Qualifying Non-CREST Shareholders**

##### (a) *General*

Subject as provided in paragraph 6 of this Part 12 in relation to certain Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of Shares available to them under their Basic Entitlement in Box B. Entitlements to Shares are rounded down to the nearest whole number and fractional Basic Entitlements have therefore also been rounded down. Such fractional Basic Entitlements will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Box C shows how much the Qualifying Non-CREST Shareholders would need to pay if they wish to take up their Basic Entitlement in full. Any Qualifying Shareholders with fewer than 7 existing Shares will not receive a Basic Entitlement but may apply for Shares under the Excess Application Facility. Qualifying Non-CREST Shareholders may apply for less than their Basic Entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a *bona fide* market claim. Qualifying Non-CREST Shareholders may also apply for additional Shares under the Excess Application Facility by completing Boxes D, E, F and G on the Open Offer Application Form.

The instructions and other terms set out in the Open Offer Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

##### (b) *Bona fide market claims*

Applications to acquire Shares under the Open Offer may only be made on an Open Offer Application Form by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Shares through the market prior to the date upon which the Shares were marked “ex” the entitlement to participate in the Open Offer (being 8.00 a.m. on 4 July 2017). Open Offer Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 17 July 2017. The Open Offer Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Shares prior to the date upon which the Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have

sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Open Offer Application Form and immediately forward the Open Offer Application Form together with any accompanying documents at once to the purchaser or transferee or stockbroker or bank or other agent through whom the sale was effected, for delivery to the purchaser or transferee (save that the Open Offer Application Form should not be submitted or forwarded in or into the United States or any of the Excluded Territories or any jurisdiction where it would or may be unlawful to do so, unless pursuant to an applicable exemption). If you have sold or transferred only some of the Shares, you should complete Box J and return the Open Offer Application Form at once by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only), to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, accompanied by a letter stating the number of split Open Offer Application Forms required and the total number of Shares to be included in each split Open Offer Application Form. The latest time and date for splitting is 3.00 p.m. on 17 July 2017. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2(b) of this Part 12 below.

(c) *Excess Application Facility*

Qualifying Shareholders who have taken up all their Basic Entitlement may apply to acquire additional Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for additional Shares, may do so by completing Boxes D, E, F and G of the Open Offer Application Form. The Maximum Excess Application Number shall be limited to: (a) the maximum size of, together, the Placing, the Open Offer and the Offer for Subscription; less (b) Shares issued under the Open Offer pursuant to Basic Entitlements and Shares issued pursuant to the terms of the Placing and the Offer for Subscription. Applications under the Excess Application Facility will therefore only be satisfied to the extent that: (i) other Qualifying Shareholders do not apply for their Basic Entitlement in full; (ii) fractional entitlements have been aggregated and made available under the Excess Application Facility; and (iii) (if applicable) valid subscriptions are received in respect of the Offer for Subscription and Placing for fewer than the number of Shares available thereunder.

Qualifying Shareholders can apply for up to the Maximum Excess Application Number of Shares under the Excess Application Facility. Shares under the Excess Application Facility will be allocated to Qualifying Shareholders that have taken up their Basic Entitlements in full on a pro-rata basis to their applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Application procedure*

Qualifying Non-CREST Shareholders wishing to apply to acquire Shares to which they are entitled under the Open Offer should complete the Open Offer Application Form in accordance with the instructions printed on it.

Completed Open Offer Application Forms should be posted in the accompanying pre-paid envelope to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or returned by hand (during normal business hours only) to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to be received by the Receiving Agent by no later than 11.00 a.m. on 19 July 2017, after which time Open Offer Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds Sterling and made by cheque or banker's draft made payable to "CIS PLC re: Empiric Student Property Plc – Open Offer A/C" and crossed "A/C payee only". Cheques or bankers' drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Non-CREST Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or bankers' drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and bankers' drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS or electronic transfer will be acceptable.

If cheques or bankers' drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Placing, the Open Offer and the Offer for Subscription do not become unconditional, no Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Placing, the Open Offer and the Offer for Subscription.

The Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open

Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Open Offer Application Forms received after 11.00 a.m. on 19 July 2017; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 19 July 2017 from authorised persons (as defined in FSMA) specifying the Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Jefferies shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Jefferies, Akur nor the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

(e) *Effect of application*

By completing and delivering an Open Offer Application Form the applicant:

- (i) represents and warrants to the Company, the Receiving Agent, Jefferies and Akur that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and/or the Excess Application Facility and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company, the Receiving Agent, Jefferies and Akur that all applications under the Open Offer and/or the Excess Application Facility and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England and Wales;
- (iii) confirms to the Company, the Receiving Agent, Jefferies and Akur that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission, and the applicant accordingly agrees that no person responsible solely or jointly for this Prospectus and any supplementary prospectus published by the Company prior to Admission or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Prospectus, he will be

deemed to have had notice of all information in relation to the Company and the Shares contained in this Prospectus (including matters incorporated by reference);

- (iv) represents and warrants to the Company, the Receiving Agent, Jefferies and Akur that he is the Qualifying Shareholder originally entitled to his Basic Entitlement or that he received such Basic Entitlement by virtue of a *bona fide* market claim;
- (v) represents and warrants to the Company, the Receiving Agent, Jefferies and Akur that if he has received some or all of his Basic Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Basic Entitlement by virtue of a *bona fide* market claim;
- (vi) requests that the Shares, to which he will become entitled, be issued to him on the terms set out in this Prospectus and the Open Offer Application Form, subject to the Articles;
- (vii) represents and warrants to the Company, the Receiving Agent, Jefferies and Akur that he is not, nor is he applying on behalf of, any person who is in, or is a citizen or resident, or is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any Excluded Territory and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Shares which are the subject of his application in or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or other any Excluded Territory (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor person(s) otherwise prevented by legal or regulatory restrictions from applying for Shares under the Open Offer or the Excess Application Facility;
- (viii) represents and warrants to the Company, Jefferies and Akur that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (ix) confirms that in making the application he is not relying and has not relied on Jefferies, Akur or any person affiliated with Jefferies or Akur in connection with any investigation of the accuracy of any information contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission or his investment decision; and
- (x) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the Shares (other than as contained in this Prospectus or any supplementary prospectus published by the Company prior to Admission) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, Jefferies or Akur.

(f) *Incorrect or incomplete applications*

If an Open Offer Application Form includes a payment for an incorrect sum, the Company reserves the right:

- (i) to reject the application in full and refund the payment to the applicant at his risk (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the applicant at his risk (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Shares referred to in the Open Offer Application Form, refunding any unutilised sum to the applicant at his risk (without interest).

All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to the Receiving Agent, Computershare Investor Services PLC on 0370 707 1143 from within the UK or on +44 (0)370 707 1143. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Basic Entitlements or apply for additional Shares under the Excess Application Facility or give any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who do not wish to take up or apply for Shares under the Open Offer and/or the Excess Application Facility should take no action and should not complete or return the Open Offer Application Form.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Shares to which he is entitled in uncertificated form in CREST (please see paragraph 4.2(a) below for more information).

#### 4.2 **Qualifying CREST Shareholders**

(a) *General*

Subject as provided in paragraph 6 of this Part 12 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Basic Entitlement equal to the maximum number of Shares for which he is entitled to apply to acquire under the Open Offer. Entitlements to Shares will be rounded down to the nearest whole number and any Basic Entitlements have therefore also been rounded down. Any fractional entitlements to Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying CREST Shareholder with fewer than 7 existing Shares will not receive a Basic Entitlement but may apply for Shares under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID specified in the section headed "Expected Timetable" in this Prospectus and below.

If for any reason the Basic Entitlement and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 8.00 a.m. on 5 July 2017, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this Prospectus will be adjusted as appropriate and the provisions of this Prospectus applicable to Qualifying Non-CREST Shareholders with Open Offer Application Forms will apply to Qualifying CREST Shareholders who receive such Open Offer Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. All enquiries in connection with the procedure for application should be addressed to Computershare Investor Services PLC on 0370 707 1143 from within the UK or on +44 (0)370 707 1143. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Please note the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Basic Entitlements or apply for additional Shares under the Excess Application Facility nor give any financial, legal or tax advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

The Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute separate securities for the purposes of CREST. Although Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and/or the Excess CREST Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Basic Entitlements and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and Excess CREST Open Offer Entitlements(s) will thereafter be transferred accordingly.

A Qualifying CREST Shareholder that, as a result of a *bona fide* market claim has received a shortfall of Excess CREST Open Offer Entitlements to their CREST account and would like to apply for a larger number of Shares under the Excess Application Facility or to arrange for a further credit of Excess CREST Open Offer Entitlements to be made should contact the Receiving Agent, Computershare Investor Services PLC on 0370 707 1143 from within the UK or on +44 (0)370 707 1143. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays).

(c) *Excess Application Facility*

Qualifying Shareholders may apply to acquire additional Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables

Qualifying CREST Shareholders to apply for additional Shares in excess of their Basic Entitlement. An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred.

Subject as provided in paragraph 6 below in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for additional Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the existing Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for additional Shares pursuant to the Excess Application Facility, Qualifying CREST Shareholders should follow the instructions in paragraph 4.2(f) below and must not return a paper form and cheque.

Should a transaction be identified by the Euroclear UK & Ireland's Claims Processing Unit as "cum" the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant existing Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

The Maximum Excess Application shall be limited to: (a) the maximum size of, together, the Placing, the Open Offer and the Offer for Subscription; less (b) Shares issued under the Open Offer pursuant to Basic Entitlements and Shares issued pursuant to the terms of the Placing and the Offer for Subscription. Applications under the Excess Application Facility will therefore only be satisfied to the extent that: (i) other Qualifying Shareholders do not apply for their Basic Entitlement in full; (ii) fractional entitlements have been aggregated and made available under the Excess Application Facility; and (iii) (if applicable) valid subscriptions are received in respect of the Offer for Subscription and Placing for fewer than the number of Shares available thereunder.

Qualifying Shareholders can apply for up to the Maximum Excess Application Number of Shares under the Excess Application Facility. Shares under the Excess Application Facility will be allocated to Qualifying Shareholders that have taken up their Basic Entitlements in full on a *pro rata* basis to their applications under the Excess Application Facility. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Unmatched Stock Event (“USE”) instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Shares in respect of all or some of their Basic Entitlements and/or Excess CREST Open Offer Entitlements must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Basic Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Shares referred to in (i) above.

(e) *Content of USE instruction in respect of Basic Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Receiving Agent);
- (ii) the CREST participant ID of the accepting CREST member;
- (iii) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (iv) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 8RA30;
- (v) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is EMPIOPEN;
- (vi) the ISIN of the Basic Entitlements. This is GB00BF0P2476;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 19 July 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 19 July 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their CREST sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 90.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 19 July 2017 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 24 July 2017 or such later time and date as the Company and Jefferies determine (being no later than 8.00 a.m. on 31 August 2017), the Open Offer will lapse, the Basic Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Shares for which application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the CREST participant ID of the accepting CREST member;
- (iii) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (iv) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 8RA30;
- (v) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is EMPIOPEN;
- (vi) the ISIN of the Excess CREST Open Offer Entitlements. This is GB00BF0P2583;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 19 July 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application for the Excess CREST Open Offer Entitlements under the Excess Application Facility to be valid, the USE instruction must comply with

the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 19 July 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their CREST sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 90.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 19 July 2017 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 24 July 2017 or such later time and date as the Company and Jefferies determine (being no later than 8.00 a.m. on 31 August 2017), the Open Offer will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(g) *Deposit of Basic Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 19 July 2017. After depositing their Basic Entitlements into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, (i) the recommended latest time for depositing an Open Offer Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Open Offer Application Form as Basic Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 14 July 2017 and (ii) the

recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 13 July 2017 – in either case so as to enable, the person acquiring or (as appropriate) holding the Basic Entitlements and Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlements and/or Excess CREST Open Offer Entitlements, as the case may be, prior to 11.00 a.m. on 19 July 2017. CREST holders inputting the withdrawal of their Basic Entitlements from their CREST account must ensure that they withdraw both their Basic Entitlements and the Excess CREST Open Offer Entitlement.

Delivery of an Open Offer Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company, Jefferies, Akur and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed “Instructions for depositing entitlements under the Open Offer into CREST” on page 2 of the Open Offer Application Form, and a declaration to the Company, Jefferies, Akur and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in, or citizen(s) or resident(s) of, the United States or any Excluded Territory and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer or the Excess Application Facility by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 19 July 2017 will constitute a valid application under the Open Offer and/or Excess Application Facility, as applicable.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer and the Excess Application Facility. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above and settled by 11.00 a.m. on 19 July 2017. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);

- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
  - (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).
- (k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants to the Company, the Receiving Agent, Jefferies and Akur that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer or the Excess Application Facility, as the case may be, and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company, Jefferies and Akur to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company, Jefferies and Akur that all applications and contracts resulting therefrom under the Open Offer and the Excess Application Facility shall be governed by the laws of England;
- (iv) confirms to the Company, Jefferies and Akur that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission, and the applicant accordingly agrees that no person responsible solely or jointly for this Prospectus, any supplementary prospectus published by the Company prior to Admission, or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Prospectus, he will be deemed to have had notice of all the information in relation to the Company and the Shares contained in this Prospectus (including matters incorporated by reference);
- (v) represents and warrants to the Company, Jefferies and Akur that he is the Qualifying Shareholder originally entitled to the Basic Entitlement and Excess CREST Open Offer Entitlement or that he has received such Basic Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vi) represents and warrants to the Company, the Receiving Agent, Jefferies and Akur that if he has received some or all his Basic Entitlement and

Excess CREST Open Offer Entitlement from a person other than the Company, he is entitled to apply under the Open Offer and the Excess Application Facility in relation to such Basic Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;

- (vii) requests that the Shares to which he will become entitled be issued to him on the terms set out in this Prospectus, subject to the Articles;
  - (viii) represents and warrants to the Company, the Receiving Agent, Jefferies and Akur that he is not, nor is he applying on behalf of anyone who is in, or is a citizen or resident, or is a corporation, partnership or other entity created or organised in or under any laws of, the United States or any Excluded Territory and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Shares which are the subject of his application in or to, or for the benefit of, any person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or any Excluded Territory (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Shares under the Open Offer or the Excess Application Facility;
  - (ix) represents and warrants to the Company, the Receiving Agent, Jefferies and Akur that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
  - (x) confirms that in making the application he is not relying and has not relied on Jefferies, Akur or any person affiliated with Jefferies or Akur in connection with any investigation of the accuracy of any information contained in this Prospectus or any supplementary prospectus published by the Company prior to Admission or his investment decision; and
  - (xi) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the Shares (other than as contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, Jefferies or Akur.
- (l) *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 12;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE

instruction and subject to such further terms and conditions as the Company may determine;

- (iii) treat a properly authenticated dematerialised instruction (in this subparagraph the “first instruction”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure of breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(m) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 24 July 2017 or such later time and date as the Company and Jefferies may agree (being no later than 8.00 a.m. on 31 August 2017), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

## 5 MONEY LAUNDERING REGULATIONS

### 5.1 *Holders of Application Forms*

To ensure compliance with the UK Money Laundering Regulations, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Open Offer Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”). If the Open Offer Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the UK Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Open Offer Application Form.

The person lodging the Open Offer Application Form with payment and in accordance with the other terms as described above (the “**acceptor**”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Shares as is referred to therein (for the purposes of this paragraph 5 the “**relevant Shares**”) and shall thereby be deemed to agree to provide the

Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Shares (notwithstanding any other term of the Open Offer or the Excess Application Facility) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer or under the Excess Application Facility will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

**Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent, Jefferies and Akur from the applicant that the UK Money Laundering Regulations will not be breached by application of such remittance.**

The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the UK Money Laundering Regulations;
- (c) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name;
- (d) if the aggregate subscription price for the Shares is less than €15,000 (or the Sterling equivalent);
- (e) if payment is made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner. Cheques, which must be drawn on the personal account of the Qualifying Shareholder where they have sole or joint title to the funds, should be made payable to "CIS PLC re: Empiric Student Property Plc – Open Offer A/C" and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Open Offer Application Form; or
- (f) if the Open Offer Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money

laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of South Africa, Switzerland, Turkey, UK Crown Dependencies and the USA and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Open Offer Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent.

To confirm the acceptability of any written assurance referred to in (f) above, or in any other case, the acceptor should contact the Receiving Agent, Computershare Investor Services PLC on 0370 707 1143 from within the UK or on +44 (0)370 707 1143. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the Open Offer or the Excess Application Facility nor give any financial, legal or tax advice.

If the Open Offer Application Form is in respect of Shares under the Open Offer and/or the Excess Application Facility with an aggregate subscription price of €15,000 (or the Sterling equivalent) or more and is lodged by hand by the acceptor in person, or if the Open Offer Application Form in respect of Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 19 July 2017, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent under instructions from the Company may, at its discretion, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## 5.2 ***Basic Entitlements and Excess CREST Open Offer Entitlements in CREST***

If you hold your Basic Entitlement and Excess CREST Open Offer Entitlements in CREST and apply for Shares in respect of some or all of your Basic Entitlement and Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to the Company, the Receiving Agent, Jefferies and Akur to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the UK Money Laundering Regulations. Pending the provision of evidence satisfactory

to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **6 OVERSEAS SHAREHOLDERS**

This Prospectus has been approved by the FCA, being the competent authority in the United Kingdom. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 General**

The distribution of this Prospectus and the making of the Open Offer and Excess Application Facility to persons who have registered addresses in, or who are resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirements or other formalities to enable them to apply for Shares under the Open Offer and/or the Excess Application Facility.

No action has been or will be taken by the Company, Jefferies, Akur or any other person, to permit a public offering or distribution of this Prospectus (or any other offering or publicity materials or application form(s) relating to the Shares under the Open Offer and/or the Excess Application Facility or Shares to be issued under the Offer for Subscription) in any jurisdiction where action for that purpose may be required.

No public offer of Shares is being made by virtue of this Prospectus or the Open Offer Application Form into the United States or any Excluded Territory.

Receipt of this Prospectus and/or an Open Offer Application Form and/or a credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Prospectus and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

Open Offer Application Forms will not be sent to, and Basic Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this Prospectus and/or an Open Offer Application Form and/or a credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Open Offer Application Form and/or credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Open

Offer Application Form and/or credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Prospectus and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agent, nominees and trustees) outside the United Kingdom wishing to apply for Shares under the Open Offer and/or the Excess Application Facility to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Jefferies, Akur nor any of their respective representatives is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this Prospectus and/or an Open Offer Application Form and/or a credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer and/or the Excess Application Facility or otherwise, should not distribute or send either of those documents nor transfer Basic Entitlements and/or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Prospectus and/or an Open Offer Application Form and/or a credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Shares in respect of the Open Offer and/or the Excess Application Facility unless the Company or Jefferies determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Prospectus and/or an Open Offer Application Form and/or transfers Basic Entitlements and/or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 12 and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Shares that appears to the Company or its agents to have been executed, effected, or dispatched from the United States or any Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates relating to Shares (or in the case of a credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be), in the United States or any Excluded Territory.

Notwithstanding any other provision of this Prospectus or the Open Offer Application Form, the Company reserves the right to permit any person to apply for Shares in respect of the Open Offer and/or the Excess Application Facility if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Shares should note that payment must be made in Sterling denominated cheques or bankers' drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

## 6.2 ***United States***

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer and/or the Excess Application Facility into the United States and neither this Prospectus nor the Open Offer Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Shares pursuant to the Open Offer and/or the Excess Application Facility in the United States. An Open Offer Application Form, will not be sent to, and no Shares under the Open Offer and/or the Excess Application Facility will be credited to, a stock account in CREST of, any Shareholder with a registered address in the United States. Open Offer Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Shares under the Open Offer and/or the Excess Application Facility and wishing to hold such Shares in registered form must provide an address for registration outside the United States.

Any person who acquires Shares pursuant to the Open Offer and/or the Excess Application Facility will be deemed to have declared, warranted and agreed, by accepting delivery of this Prospectus or the Open Offer Application Form and delivery of such Shares, that they are not, and that at the time of acquiring the Shares pursuant to the Open Offer and/or the Excess Application Facility they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Open Offer Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Shares, or which does not make the warranty set out in the Open Offer Application Form to the effect that the person completing the Open Offer Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Shares in the United States or where the Company believes acceptance of such Open Offer Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Open Offer Application Form is completed and lodged. In addition, the Company and Jefferies reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Shares.

## 6.3 ***Excluded Territories***

The Shares have not been and will not be registered under the relevant laws of any Excluded Territories or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territories or to, or for the account or benefit of, any person with a registered address in, or who is

resident in, or a citizen of, any Excluded Territories except pursuant to an applicable exemption. No offer of Shares is being made by virtue of this Prospectus or the Open Offer Application Form into any Excluded Territories.

#### 6.4 ***Other overseas territories***

Open Offer Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United Kingdom may, subject to the laws of their relevant jurisdiction, take up Shares under the Open Offer and/or the Excess Application Facility in accordance with the instructions set out in this Prospectus and the Open Offer Application Form.

**Shareholders who have registered addresses in, or who are resident in, or citizens of countries other than the United Kingdom should consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for any Shares in respect of the Open Offer and/or the Excess Application Facility.**

#### 6.5 ***Representations and warranties relating to Overseas Shareholders***

##### (a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Open Offer Application Form or requesting registration of the Shares comprised therein represents and warrants to the Company, Jefferies, Akur and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Open Offer Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Shares from within the United States or any Excluded Territory; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Shares in respect of the Open Offer and/or the Excess Application Facility or to use the Open Offer Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within the United States or any Excluded Territory (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Shares into the United States or any Excluded Territory.

The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Shares comprised in an Open Offer Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or any Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or any Excluded Territory for delivery of the share certificates for the Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 6.5(a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 12 represents and warrants to the Company, Jefferies, Akur and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Excluded Territory; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within the United States or any Excluded Territory (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Shares into any of the above territories.

**6.6 Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer and/or the Excess Application Facility relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and/or Jefferies in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer and/or the Excess Application Facility inconsistent herewith. References in this paragraph 6 to Qualifying Shareholders shall include references to the person or persons executing an Open Offer Application Form and, in the event of more than one person executing an Open Offer Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

**7 WITHDRAWAL RIGHTS**

Qualifying Shareholders wishing to exercise or direct the exercise of statutory withdrawal rights pursuant to Section 87Q(4) of FSMA after the issue by the Company of a supplementary prospectus must do so by lodging a written notice of withdrawal within two Business Days commencing on the Business Day after the date on which the supplementary prospectus is published. The withdrawal notice must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the participant ID and the member account ID of such CREST member. The notice of withdrawal must be deposited by post or by hand only (during normal business hours only) with the Receiving Agent so as to be received before the end of the withdrawal period. In relation to any enquiries please call Computershare Investor Services PLC on 0370 707 1143 from within the UK or on +44 (0)370 707 1143. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the Open Offer and/or the Excess Application Facility nor give any financial, legal or tax advice. Notice of withdrawal given by any other means or which is deposited with the Registrar after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant person for the Shares applied for in full and the allotment of such Shares to such person becoming unconditional save to the extent required by statute. In such event, Qualifying Shareholders are advised to seek independent legal advice.

**8 ADMISSION, SETTLEMENT AND DEALINGS**

Application will be made to the UK Listing Authority for the Shares to be admitted to listing on the premium listing segment of the Official List. Application will also be made to the London Stock Exchange for the Shares to be admitted to trading on the Main Market. It is expected that Admission will become effective and that dealings in the Shares, fully paid, will commence at

8.00 a.m. on 24 July 2017. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Basic Entitlements held in CREST and Excess CREST Open Offer Entitlements are expected to be disabled in all respects after 11.00 a.m. on 19 July 2017 (the latest date for applications under the Open Offer and the Excess Application Facility). If the condition(s) to the Open Offer described above are satisfied, Shares will be issued in uncertificated form to those persons who submitted a valid application for Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. Computershare Investor Services PLC will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Shares with effect from Admission (expected to be at 8.00 a.m. on 24 July 2017). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to send Qualifying CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Basic Entitlements and the Excess Application Facility, and to allot and/or issue any Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Open Offer Application Form, share certificates in respect of the Shares are expected to be despatched in the week commencing 7 August 2017. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Open Offer Application Form.

## **9 TIMES AND DATES**

The Company shall, in agreement with Jefferies and after consultation with its financial and legal advisers, be entitled to amend the dates that Open Offer Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and the Excess Application Facility and all related dates set out in this Prospectus and in such circumstances shall notify the London Stock Exchange and make an announcement on a Regulatory Information Service but Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance any payment in full under the Open Offer and the Excess Application Facility specified in this Prospectus, the latest date for acceptance under the Open Offer and the Excess Application Facility shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## **10 TAXATION**

Certain statements regarding United Kingdom taxation in respect of the Shares and the Open Offer are set out in Part 6 of this Prospectus. Qualifying Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer and/or making an application under the Excess Application Facility or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

## **11 FURTHER INFORMATION**

Your attention is drawn to the further information set out in this Prospectus and also, in the case of Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Open Offer Application Forms, to the terms, conditions and other information printed on the accompanying Open Offer Application Form.

## **12 GOVERNING LAW AND JURISDICTION**

The terms and conditions of the Open Offer as set out in this Prospectus, the Open Offer Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, the Excess Application Facility, this Prospectus or the Open Offer Application Form. By taking up Shares by way of their Basic Entitlement and/or applying for Shares under the Excess Application Facility, in accordance with the instructions set out in this Prospectus and, where applicable, the Open Offer Application Form, Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## PART 13

### TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

The Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme. In the case of a joint Application, references to you in these Terms and Conditions of Application are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Application Form.

The Offer for Subscription is only being made in the United Kingdom. If you are outside of the United Kingdom see paragraph 2.7 of this Part 13.

#### 1 INTRODUCTION

Shares are available under the Offer for Subscription at the Issue Price.

Applications must be made on the application form (the “**Application Form**”) attached to this Prospectus or otherwise published by the Company.

#### 2 EFFECT OF APPLICATION

Applications under the Offer for Subscription must be for a minimum of 1,000 Shares and thereafter in multiples of 100 Shares.

##### 2.1 *Offer to acquire Shares*

By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for such number of Shares at 109 pence per Share as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of 1,000 Shares), or such smaller number for which such application is accepted, on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of Application and the Articles in force from time to time;
- (b) agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer for subscription any Shares to any person other than by means of the procedures referred to in this Prospectus your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus by the Company prior to Admission) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by, the Receiving Agent of your Application Form;
- (c) undertake to pay the subscription amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Shares applied for in certificated form or be entitled to commence dealing

in Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall not constitute an acceptance of your application under the Offer for Subscription and shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company, Jefferies and Akur against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque in your favour at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);

- (d) agree, that where on your Application Form a request is made for Shares to be deposited into a CREST account (a “**CREST Account**”), (i) the Receiving Agent may in its absolute discretion issue such Shares in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent, the Company, Jefferies or Akur may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST Account in respect of the number of Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- (e) agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1(d) above to issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.1(d) above (and any monies returnable to you) may be retained by the Receiving Agent:
- (i) pending clearance of your remittance;
  - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 2.5(a), (b), (f), (h), (m), (n), (o), (p), (q), (r) or (s) or any other suspected breach of these Terms and Conditions of Application; or
  - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the UK Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
  - (iv) agree, on the request of the Receiving Agent to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
  - (v) agree that if satisfactory evidence of identity is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request, the Company may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be re-allotted or sold to some

other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;

- (vi) agree that you are not applying on behalf of a person engaged in money laundering;
- (vii) undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- (viii) undertake to pay interest at the rate described in paragraph 2.2 below if the remittance accompanying your Application Form is not honoured on first presentation;
- (ix) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Shares for which your application is accepted or if you have completed Section 2B on your Application Form, but subject to paragraph 2.1(d) above, to deliver the number of Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing house to the bank account name from which such monies were received without interest and at your risk;
- (x) confirm that you have read and complied with paragraph 2.7 below;
- (xi) agree that all subscription cheques and payments will be processed through a bank account (the “**Acceptance Account**”) in the name of “CIS PLC re: Empiric Student Property plc – Offer for Subscription A/C” opened by the Receiving Agent;
- (xii) agree that your Application Form is addressed to the Company and the Receiving Agent;
- (xiii) agree that if a fractional entitlement to a Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit;
- (xiv) acknowledge that the offer to the public of Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Shares); and
- (xv) agree that any application may be rejected in whole or in part at the sole discretion of the Company.

## 2.2 ***Acceptance of your offer***

The Receiving Agent under instruction of the Company, may accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected).

The basis of allocation will be determined by the Company in consultation with Jefferies. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application.

The Receiving Agent will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payments.

The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be a rate equal to the London Inter-Bank Offered Rate for seven day deposits in Sterling plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

Payments must be made by cheque or banker's draft in pounds Sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual applicant where they have sole or joint title to the funds, should be made payable to "CIS PLC re: Empiric Student Property Plc – Offer for Subscription A/C" and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker's draft to that effect. The account name should be the same as that shown on the Application Form.

For applicants sending subscription monies by electronic bank transfer (CHAPS) payment must be made for value by 11.00 a.m. on 19 July 2017. Please contact Computershare Investor Services PLC by email at EmpiricOFS@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. Computershare will then provide you with a unique reference number which must be used when sending payment.

Applicants choosing to settle via CREST, that is DVP, will need to match their instructions to Computershare's participant account 8RA32 by no later than 1.00 p.m. on 21 July 2017, allowing for the delivery and acceptance of Shares to be made against payment of the Issue Price, following the CREST matching criteria set out in the Application Form.

### 2.3 **Conditions**

The contract created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

- (a) Admission occurring and becoming effective by 8.00 a.m. (London time) on 24 July 2017 (or such later time and/or date as the Company and Jefferies may agree, not being later than 8.00 a.m. on 31 August 2017); and

- (b) the Placing Agreement becoming otherwise unconditional in all respects (save as to Admission) and not having been terminated in accordance with its terms prior to Admission.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

#### 2.4 ***Return of application monies***

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a non-interest bearing separate account.

#### 2.5 ***Warranties***

By completing an Application Form, you:

- (a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- (c) confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus, any such supplementary prospectus, or any part thereof shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the Shares contained therein;
- (e) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as

contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Jefferies, Akur or the Receiving Agent;

- (f) warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by, from or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first named holder) as set out in your Application Form;
- (h) confirm that you have reviewed the restrictions contained in paragraph 2.7 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- (i) agree that, in respect of those Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- (j) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) irrevocably authorise the Company, Jefferies and Akur or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or Jefferies and/or Akur and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- (l) agree to provide the Company with any information which it, Jefferies, Akur or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including without limitation satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations;
- (m) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Jefferies, Akur or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- (n) represent and warrant to the Company that: (i) you are not a U.S. Person, are not located within the United States and are not acquiring the Shares for the account or benefit of a U.S. Person; (ii) you are acquiring the Shares in an offshore transaction meeting the requirements of Regulation S; (iii) you understand and acknowledge that the Shares have not been and will not be registered under the

U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons; and (iv) you understand and acknowledge that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act;

- (o) represent and warrant to the Company that if in the future you decide to offer, sell, transfer, assign or otherwise dispose of the Shares, you will do so only: (i) in an offshore transaction complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise; (ii) within the United States in accordance with Rule 144 of the U.S. Securities Act, if available, and in compliance with any applicable securities laws of any state or other jurisdiction in the United States; or (iii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (p) agree that Jefferies, Akur and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Shares or concerning the suitability of the Shares for you or be responsible to you for the protections afforded to their customers;
- (q) warrant that you are:
  - (i) highly knowledgeable and experienced in business and financial matters as to be capable of evaluating the merits and risks of an investment in the Shares;
  - (ii) fully understand the risks associated with such investment; and
  - (iii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;
- (r) warrant that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Shares;
- (s) warrant that the information contained in the Application Form is true and accurate;
- (t) agree that if you request that Shares are issued to you on a date other than Admission and such Shares are not issued on such date that the Company, Jefferies, Akur and their respective agents and the Directors will have no liability to you arising from the issue of such Shares on a different date; and
- (u) confirm that if you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Issue, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for this Prospectus or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or

which omits to state any material fact necessary in order to make the statement therein misleading.

## 2.6 **Money Laundering**

You agree that, in order to ensure compliance with the UK Money Laundering Regulations, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity of the subscriber(s) (the “**holder(s)**”) as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

- (a) the owner(s) and/or controller(s) (the “**payor**”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- (b) where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons.

Any delay or failure to provide the necessary evidence of identity may result in your application being rejected or delays in crediting CREST accounts or in the despatch of documents.

Without prejudice to the generality of this paragraph 2.6, verification of the identity of holders and payors will be required if the value of the Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (or the Sterling equivalent). If, in such circumstances, you use a building society cheque or banker’s draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker’s draft and adds its stamp.

If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and the payor an original or a copy of that person’s passport or driving licence certified by a solicitor and an original or certified copy of the following which is no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees’ risk) together with a signed declaration as to the relationship between the payor and the holder.

For the purpose of the UK Money Laundering Regulations a person making an application for Shares will not be considered as forming a business relationship with the Company or the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent. Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and the Receiving Agent from the applicant that the UK Money Laundering Regulations will not be breached by the application of such remittance.

The person(s) submitting an application for Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds €15,000 (or the Sterling equivalent) you should endeavour to have the declaration contained in Section 5 of the Application Form signed by an appropriate firm as described in that Section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (or the Sterling equivalent) then

you must provide with the Application Form the identity documentation detailed in Section 6 of the Application Form for each underlying beneficial owner.

If the Application Form is lodged with payment by a regulated financial services firm (being a person or institution) (the “**Firm**”) which is located in Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the UK and the United States, the Firm should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Company (or any of its agents). If the Firm is not such an organisation, it should contact Computershare Investor Services PLC at Corporate Actions Projects, Bristol BS99 6AH. To confirm the acceptability of any written assurance referred to above, or in any other case, the Applicant should call Computershare Investor Services PLC on 0370 707 1143. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

## **2.7 Non-United Kingdom investors**

If you receive a copy of this Prospectus or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form.

None of the Shares have been or will be registered under the laws of Canada, Japan, Australia, the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan, Australia or the Republic of South Africa. If you subscribe for Shares pursuant to the Offer for Subscription you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a U.S. Person or a resident of Canada, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the United States or Canada (or any political subdivision of either) or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Shares for the account of any U.S. Person or resident of Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Canada, Japan, Australia or the Republic of South Africa or to any U.S. Person or any person resident in Canada, Japan, Australia or the Republic of South Africa. No Application Form will be accepted if it shows the applicant, payor or a holder having an address in the United States, Canada, Japan, Australia or the Republic of South Africa.

## **2.8 The Data Protection Act 1998**

Pursuant to The Data Protection Act 1998 (the “**DP Act**”) the Company and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present shareholders. Such personal data held is used by the Registrar to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and other distributions to Shareholders; and (b) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

The countries referred to in the paragraph immediately above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, India, Japan, New Zealand, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland and the United States.

By becoming registered as a holder of Shares a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company or the Registrar of any personal data relating to them in the manner described above.

## 2.9 **Miscellaneous**

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Shares and the Offer for Subscription.

The rights and remedies of the Company, Jefferies, Akur and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 11.00 a.m. on 19 July 2017. In that event, the new closing time and/or date will be notified to applicants through a Regulatory Information Service.

The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest at the risk of the persons entitled thereto.

You agree that Jefferies, Akur and the Receiving Agent are acting for the Company in connection with the Issue and for no-one else, and that neither Jefferies nor Akur nor the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Shares or concerning the suitability of the Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used in this Prospectus.

## PART 14

### DEFINITIONS AND GLOSSARY

The following definitions apply throughout this Prospectus unless the context requires otherwise:

<b>2016 Share Issuance Programme</b>	the share issuance programme under which the Company could issue up to 165 million Shares in one or more tranches throughout the period commencing 1 March 2016 and ending 28 February 2017
<b>2016 Share Issuance Programme Placing Agreement</b>	the placing and offer for subscription agreement dated 1 March 2016 entered into between the Company, the executive directors of the Company at that date, Jefferies and Akur, a summary of which is set out in paragraph 9.2 of Part 9 of this Prospectus
<b>Adjusted EPRA Earnings</b>	post-tax adjusted EPRA earnings per Share attributable to Shareholders which includes the licence fee receivable on the Group's forward funded development assets and late completion development rebate on forward funded development assets
<b>Administration and Company Secretarial Agreement</b>	the administration and company secretarial agreement between the Company and the Administrator, a summary of which is set out in paragraph 9.13 of Part 9 of this Prospectus
<b>Administrator</b>	FIM Capital Limited, in its capacity as the Company's administrator and company secretary
<b>Admission</b>	admission to trading on the London Stock Exchange's Main Market of the Shares issued pursuant to the Issue becoming effective in accordance with the LSE Admission Standards and admission of such Shares to the premium listing segment of the Official List becoming effective in accordance with the Listing Rules
<b>AIB</b>	AIB Group (UK) P.L.C
<b>AIB Loan Agreement</b>	the facility agreement dated 15 July 2016 (as amended and restated on 22 December 2016) between ( <i>inter alium</i> ) Empiric Investments (Six) Limited and AIB, a summary of which is set out in paragraph 9.9 of Part 9 of this Prospectus
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance, as amended from time to time
<b>AIC Guide</b>	the AIC Corporate Governance Guide for Investment Companies, as amended from time to time
<b>AIF</b>	an alternative investment fund
<b>AIFM</b>	an alternative investment fund manager

<b>AIFM Directive</b>	the European Union's Alternative Investment Fund Managers directive (No. 2071/61/EU) and all legislation made pursuant thereto, including, where applicable, the applicable implementing legislation and regulations in each member state of the European Union
<b>AIFM Regulations</b>	the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (SI 2013/1773)
<b>Akur</b>	Akur Limited
<b>Application Form</b>	the application form attached to this Prospectus for use in connection with the Offer for Subscription
<b>Articles</b>	the articles of association of the Company
<b>Audit Committee</b>	the audit committee of the Board
<b>Award</b>	an award granted under the Value Delivery Plan
<b>Basic Entitlements</b>	the entitlements of Qualifying Shareholders to apply for Shares pursuant to the Open Offer as set out in Part 12 of this Prospectus
<b>Business Day</b>	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
<b>Canada Life</b>	Canada Life Limited
<b>Canada Life Loans</b>	the investment term loan facilities of £31.1 million and £40 million pursuant to the Canada Life Facility
<b>Canada Life Facility</b>	the facility agreement dated 11 May 2015 (as amended and restated on 29 February 2016) between Empiric Investments (Two) Limited (as borrower), the companies listed in Schedule 1 therein and Canada Life Limited, a summary of which is set out in paragraph 9.6 of Part 9 of this Prospectus
<b>Capital gains tax or CGT</b>	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
<b>certificated or in certificated form</b>	not in uncertificated form
<b>Companies Act or Act</b>	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
<b>Company</b>	Empiric Student Property Plc
<b>CREST Manual</b>	the compendium of documents entitled "CREST Manual" issued by Euroclear from time-to-time
<b>CREST</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form

<b>CTA 2009</b>	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
<b>CTA 2010</b>	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
<b>Depository</b>	Kingfisher Property Partnerships Limited
<b>Depository Agreement</b>	the depository agreement between the Company and the Depository, a summary of which is set out in paragraph 9.12 of Part 9 of this Prospectus
<b>Directors or Board</b>	the board of directors of the Company
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules made by the FCA under Section 73A of FSMA
<b>Distribution</b>	any dividend or other distribution on or in respect of the Shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made
<b>Distribution Transfer</b>	a disposal or transfer (however effected) by a person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a Distribution and no person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not) is (whether as a result of the transfer or not) a Substantial Shareholder
<b>Distribution Transfer Certificate</b>	a certificate in such form as the Directors may specify from time to time to the effect that the relevant person has made a Distribution Transfer, which certificate may be required by the Directors to satisfy them that a Substantial Shareholder is not beneficially entitled (directly or indirectly) to a Distribution
<b>EBT</b>	the employee benefit trust of the Group under which the LTIP operates
<b>EPRA</b>	the European Public Real Estate Association
<b>ERISA</b>	U.S. Employee Retirement Income Security Act of 1976, as amended
<b>EU</b>	the European Union
<b>Euroclear</b>	Euroclear UK & Ireland Limited, being the operator of CREST
<b>Excess Application Facility</b>	the arrangement pursuant to which Qualifying Shareholders may apply for additional Shares in excess of their Basic Entitlement in accordance with the terms and conditions of the Open Offer
<b>Excess Charge</b>	in relation to a Distribution which is paid or payable to a person, all tax or other amounts which the Directors consider may become payable by the Company under Section 551 of the CTA 2010 and any interest, penalties, fines or surcharge

	attributable to such tax as a result of such Distribution being paid to or in respect of that person
<b>Excess CREST Open Offer Entitlement</b>	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Basic Entitlement) pursuant to the Open Offer to apply for Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Basic Entitlement in full
<b>Excluded Shareholders</b>	subject to certain exceptions, Shareholders who have a registered address in, who are incorporated in, registered in or otherwise resident or located in any Excluded Territory
<b>Excluded Territory</b>	Australia, Canada, Japan and the Republic of South Africa
<b>Executive Directors</b>	together the executive directors of the Company being at the date of this Prospectus, Paul Hadaway, Timothy Attlee and Lynne Fennah
<b>Existing Shares</b>	Shares in issue at the Record Date
<b>FCA</b>	the Financial Conduct Authority
<b>FCB</b>	First Commercial Bank Ltd
<b>FCB Loan Agreement</b>	the facility agreement dated 2 March 2017 between the Company and FCB, a summary of which is set out in paragraph 9.10 of Part 9 of this Prospectus
<b>FRI</b>	full repairing and insuring
<b>FSMA</b>	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
<b>Fully Let</b>	an occupancy and/or income level of the operating portfolio of 97 per cent. or more
<b>General Meeting</b>	the general meeting of the Company to be held at 11.00 a.m. on 21 July 2017
<b>Group</b>	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010
<b>Gross Asset Value</b>	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
<b>Gross Proceeds</b>	the gross proceeds of the Issue
<b>HEI</b>	higher education institute
<b>HMRC</b>	Her Majesty's Revenue and Customs
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union

<b>Issue</b>	together, the Open Offer, the Placing and the Offer for Subscription
<b>Issue Price</b>	109 pence per Share
<b>interest in the Company</b>	includes, without limitation, an interest in a Distribution made or to be made by the Company
<b>Intermediaries</b>	the entities listed in paragraph 15 of Part 9 of this Prospectus together with any other intermediary (if any) that is appointed by Jefferies to offer the Shares to retail investors after the date of this Prospectus and reference to “Intermediary” shall be construed accordingly
<b>Intermediaries Booklet</b>	the booklet entitled “Empiric Student Property Plc Share Offer: Information for Intermediaries” and containing, among other things, the Intermediaries Terms and Conditions
<b>Intermediaries Terms and Conditions</b>	the terms and conditions agreed between Jefferies and the Intermediaries in relation to the Offer for Subscription and as contained in the Intermediaries Booklet
<b>IPO</b>	the admission to trading on the London Stock Exchange’s Main Market of the share capital of the Company and admission of Shares to the premium listing segment of the Official List on 30 June 2014
<b>IRR</b>	internal rate of return
<b>ISA</b>	UK individual savings account
<b>ISIN</b>	International Securities Identification Number
<b>ITA</b>	the Income Tax Act 2007 and any statutory modification or re-enactment thereof for the time being in force
<b>Jefferies</b>	Jefferies International Limited
<b>July 2015 Placing and Offer for Subscription Agreement</b>	the placing and offer for subscription agreement dated 8 July 2015 entered into between the Company, the executive directors of the Company at that date, Jefferies and Akur, a summary of which is set out in paragraph 9.4 of Part 9 of this Prospectus
<b>LCPP</b>	London Cornwall Property Partners Limited
<b>LIBOR</b>	London Interbank Offered Rate
<b>Listing Rules</b>	the listing rules made by the UK Listing Authority pursuant to Part VI of the FSMA
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>LTIP</b>	the Company’s long term incentive plan, a summary of the key terms of which is set out in paragraph 6.2 of Part 9 of this Prospectus

<b>Main Market</b>	the London Stock Exchange's main market for listed securities
<b>Mass Mutual</b>	Barings Real Estate Advisers Europe LLP (formerly Cornerstone Real Estate Advisers Europe LLP), Massachusetts Mutual Life Insurance Company and Massachusetts Mutual Life Insurance Company, in various capacities
<b>Mass Mutual Loan Agreement</b>	the facility agreement dated 1 April 2016 between Empiric Investments (Four) Limited (as borrower), the companies listed in Schedule 1 therein and Mass Mutual, a summary of which is set out in paragraph 9.7 of Part 9 of this Prospectus
<b>Maximum Excess Application Number</b>	the maximum number of Shares to be issued under the Excess Application Facility
<b>member account ID</b>	the identification code or number attached to any member account in CREST
<b>Net Asset Value or NAV</b>	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
<b>Net Asset Value per Share or NAV per Share</b>	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
<b>Net Proceeds</b>	the aggregate net cash proceeds of the Issue (after deduction of all expenses and commissions relating to the Issue and payable by the Company)
<b>Nominations Committee</b>	the nominations committee of the Board
<b>Non-PID Dividend</b>	a distribution by the Company which is not a PID
<b>October 2015 Placing and Offer for Subscription Agreement</b>	the placing and offer for subscription agreement dated 8 October 2015 entered into between the Company, the executive directors of the Company at that date, Jefferies and Akur, a summary of which is set out in paragraph 9.3 of Part 9 of this Prospectus
<b>Offer for Subscription</b>	the offer for subscription of Shares pursuant to the Issue which is expected to close on 19 July 2017
<b>Office</b>	the registered office for the time being of the Company
<b>Official List</b>	the Official List of the UK Listing Authority
<b>Open Offer</b>	the conditional offer to Qualifying Shareholders pursuant to the Issue which is expected to close on 19 July 2017, constituting an invitation to apply for Shares, on the terms and subject to the conditions set out in this Prospectus and, in the case of Qualifying Non-CREST Shareholders only, the Open Offer Application Form

<b>Open Offer Application Form</b>	the personalised application form on which Qualifying Non-CREST Shareholders may apply for Shares under the Open Offer and the Excess Application Facility
<b>Overseas Persons</b>	a potential investor who is not resident in, or who is not a citizen of, the UK
<b>person</b>	includes a body of persons, corporate or unincorporated, wherever domiciled
<b>Placee</b>	a person who subscribes for Shares pursuant to the Placing
<b>Placing</b>	the placing of Shares pursuant to the Issue which is expected to close on 19 July 2017
<b>Placing Agreement</b>	the agreement relating to the Issue entered into between the Company, the Executive Directors, Jefferies and Akur, a summary of which is set out in paragraph 9.1 of Part 9 of this Prospectus
<b>PID or Property Income Distribution</b>	the distribution by the Company of the profits of the Company's Property Rental Business by way of a dividend in cash or the issue of share capital in lieu of a cash dividend in accordance with Section 530 of the CTA 2010
<b>Property Portfolio</b>	the current property portfolio as at the date of this Prospectus as set out in Part 2 of this Prospectus
<b>Property Rental Business</b>	the qualifying property rental business in the UK and elsewhere of UK resident companies within a REIT and non-UK resident companies within a REIT with a UK qualifying property rental business
<b>Prospectus</b>	this Prospectus prepared in accordance with the Prospectus Rules
<b>Prospectus Directive</b>	the EU Prospectus Directive 2003/71/EC
<b>Prospectus Rules</b>	the Prospectus Rules made by the FCA under Section 73A of FSMA
<b>Qualifying CREST Shareholder</b>	an existing Qualifying Shareholder holding Shares in uncertificated form and Qualifying CREST Shareholders shall be construed accordingly
<b>Qualifying Non-CREST Shareholder</b>	an existing Qualifying Shareholder holding Shares in certificated form and Qualifying Non-CREST Shareholders shall be construed accordingly
<b>Qualifying Shareholder</b>	holders of Existing Shares on the register of members of the Company at the Record Date other than Excluded Shareholders
<b>RBS</b>	The Royal Bank of Scotland Plc

<b>RBS Development/Investment Loan Agreement</b>	the facility agreement dated 6 September 2016 between Empiric Investments (Five) Limited and RBS (acting as agent for National Westminster Bank Plc), a summary of which is set out in paragraph 9.8 of Part 9 of this Prospectus
<b>RBS Loan</b>	the investment term loan facility of up to £55.5 million pursuant to the RBS Investment Facility Agreement
<b>RBS Investment Facility Agreement</b>	the facility agreement dated 24 October 2014 between ( <i>inter alium</i> ) Empiric Investments (One) Limited, RBS (acting as agent for National Westminster Bank Plc) and the financial lenders listed therein, a summary of which is set out in paragraph 9.5 of Part 9 of this Prospectus
<b>Receiving Agent</b>	Computershare Investor Services PLC, in its capacity as the Company's receiving agent
<b>Receiving Agent Agreement</b>	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 9.15 of Part 9 of this Prospectus
<b>Record Date</b>	6.00 p.m. on 30 June 2017
<b>Register</b>	the register of members of the Company
<b>Registrar</b>	Computershare Investor Services PLC, in its capacity as the Company's registrar
<b>Registrar Agreement</b>	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 9.14 of Part 9 of this Prospectus
<b>Regulation S</b>	Regulation S promulgated under the U.S. Securities Act
<b>Regulatory Information Service</b>	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
<b>REIT or Real Estate Investment Trust</b>	a Real Estate Investment Trust as defined in Part 12 of the CTA 2010
<b>REIT Notice</b>	the notice by the Company for the Group to become a REIT
<b>Relevant Member State</b>	a member state of the European Economic Area which has implemented this Prospectus Directive
<b>Relevant Registered Shareholder</b>	a Shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder)
<b>Remuneration Committee</b>	the remuneration committee of the Board
<b>Residual Business</b>	that part of the business of companies within a REIT that is not part of the Property Rental Business
<b>Resolutions</b>	the resolutions contained in the circular to Shareholders dated 27 June 2017, to be voted on by Shareholders at the General Meeting

<b>Reporting Obligation</b>	any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Company's status, or the Group's status as a REIT
<b>Revcap</b>	Revcap Advisors Limited
<b>Revcap Development Framework Agreement</b>	the joint venture development framework agreement between the Company and Revcap, a summary of which is set out in paragraph 9.11 of Part 9 of this Prospectus
<b>RICS</b>	Royal Institution of Chartered Surveyors
<b>RPI</b>	Retail Price Index, an inflationary indicator that measures the change in the cost of a fixed basket of retail goods as calculated on a monthly basis by the Office of National Statistics
<b>Russell Group</b>	the Russell Group is an association of 24 British public research universities
<b>SDLT</b>	stamp duty land tax
<b>SDRT</b>	stamp duty reserve tax
<b>Shareholder</b>	a holder of Shares
<b>Shares</b>	ordinary shares of £0.01 each in the capital of the Company
<b>SIPP</b>	a self-invested personal pension as defined in Regulation 3 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001
<b>SSAS</b>	a small self-administered scheme as defined in Regulation 2 of the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991
<b>Sterling or £</b>	the lawful currency of the United Kingdom
<b>Substantial Shareholder</b>	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be liable to pay tax under Section 551 of the CTA 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such person including, at the date of adoption of the Articles, any holder of excessive rights as defined in Section 553 of the CTA 2010
<b>Substantial Shareholding</b>	the Shares in relation to which or by virtue of which (in whole or in part) a person is a Substantial Shareholder
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>Terms and Conditions of Application</b>	the terms and conditions of application set out in Part 13 of this Prospectus in connection with the Offer for Subscription

<b>UK Corporate Governance Code</b>	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
<b>UKLA Model Code</b>	the Model Code for directors' dealings contained in the Listing Rules of the UKLA
<b>UK Listing Authority or UKLA</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>UK Money Laundering Regulations</b>	the UK Money Laundering Regulations 2007, as amended
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>U.S. Code</b>	U.S. Internal Revenue Code of 1986, as amended
<b>U.S. Exchange Act</b>	U.S. Securities Exchange Act of 1934, as amended
<b>U.S. Investment Company Act</b>	U.S. Investment Company Act of 1940, as amended
<b>U.S. Person</b>	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
<b>U.S. Securities Act</b>	U.S. Securities Act of 1933, as amended
<b>Valuation Report</b>	the valuation report prepared by CBRE in relation to the Property Portfolio, as set out at Part 8 of this Prospectus
<b>Value Delivery Plan</b>	the long term incentive plan for the Company's executive management team, the terms of which are summarised at paragraph 6.1 of Part 9 of this Prospectus
<b>Valuer or CBRE</b>	CBRE Limited, in its capacity as the Company's external valuer
<b>VAT</b>	value added tax

## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

**Applications should be returned to the Receiving Agent, Computershare Investor Services PLC, so as to be received by no later than 11.00 a.m. (London time) on 19 July 2017.**

**HELP DESK:** If you have a query concerning completion of this Application Form please call Computershare Investor Services PLC on 0370 707 1143 from within the UK or on +44 (0)370 707 1143. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

### **2 APPLICATION**

Fill in (in figures) in Box 1 the amount of money being subscribed for Shares (being the Issue Price of 109 pence per Share multiplied by the number of Shares you wish to apply for). The minimum subscription is for 1,000 Shares and thereafter in multiples of 100 Shares. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from any scaling back should this be required or to benefit most favourably from any commission arrangements.

### **3 HOLDER DETAILS**

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference and the address given for the first named will be entered as the registered address for the holding on the share register and used for all future correspondence. A maximum of four joint holders is permitted. All holders named must sign the Application Form at Section 3.

#### **2B. CREST**

If you wish your Shares to be deposited in a CREST Account in the name of the holders given in Section 2A enter in Section 2B the details of that CREST Account. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such Shares might be allotted and issued. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

### **4 SIGNATURE**

All holders named in Section 2A must sign Section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

### **5 SETTLEMENT**

#### **5.1 Cheque/Banker's Draft**

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has

arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of any of these companies.

Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner.

Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "CIS PLC re: Empiric Student Property plc – Offer for Subscription A/C". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the application.

## 5.2 **Electronic Bank Transfers**

For applicants sending subscription monies by electronic bank transfer, (CHAPS) payment must be made for value by 11.00 a.m. on 19 July 2017. Please contact Computershare Investor Services PLC by email at EmpiricOFS@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. Computershare will then provide you with a unique reference number which must be used when sending payment.

## 5.3 **CREST Settlement**

The Company will apply for the Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the "**Settlement Date**"). Accordingly, settlement of transactions in the Shares will normally take place within the CREST system.

The Application Form in the Appendix to this Prospectus contains details of the information which the Company's registrars, Computershare Investor Services PLC ("**Computershare**"), will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Computershare to match to your CREST account, Computershare will deliver your Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Shares in certificated form should the Company, having consulted with Computershare, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Computershare in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (a) the person procured by you to subscribe for or acquire the relevant Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Computershare nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Computershare, on behalf of the Company, will input a DVP instruction into the CREST system according to the booking instructions provided by you in your Application Form. The input returned by you or your settlement agent/custodian of a matching or acceptance instruction to our CREST input will then allow the delivery of your Shares to your CREST account against payment of the Issue Price per Share through the CREST system upon the Settlement Date.

By returning the Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Shares to be made prior to 8.00 a.m. on 24 July 2017 against payment of the Issue Price per Share. Failure by you to do so will result in you being charged interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in Sterling plus 2 per cent. per annum.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date:	21 July 2017
Settlement Date:	24 July 2017
Company:	Empiric Student Property Plc
Security Description:	Shares of £0.01 each
SEDOL:	BLWDVR7
ISIN:	GB00BLWDVR75

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 8RA32 by no later than 1.00 p.m. on 21 July 2017.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with Computershare, reserves the right to deliver Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Offer for Subscription have been satisfied.

## **6 RELIABLE INTRODUCER DECLARATION**

Applications will be subject to the UK's verification of identity requirements. This will involve you providing the verification of identity documents listed in Section 6 of the Application Form UNLESS you can have the declaration provided at Section 5 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in Section 5 of the Application Form completed and signed by a suitable firm.

## **7 IDENTITY INFORMATION**

Applicants need only consider Section 6 of the Application Form if the declaration in Section 5 cannot be completed. Notwithstanding that the declaration in Section 5 has been completed and signed the Receiving Agent reserves the right to request of you the identity documents listed in Section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are provided such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or

accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

## **8 CONTACT DETAILS**

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in Section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in Section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in Section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

### **INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS –**

Completed Application Forms should be returned, by post or by hand (during normal business hours only), to the Receiving Agent, Computershare Investor Services PLC so as to be received by no later than 11.00 a.m. (London time) on 19 July 2017, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two working days for delivery. Application Forms received after this date may be returned.

## APPENDIX – APPLICATION FORM

Please send this completed form by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to the Receiving Agent, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to be received by no later than 11.00 a.m. (London time) on 19 July 2017.

The Directors may, with the prior approval of Jefferies, alter such date and thereby shorten or lengthen the offer period. In the event that the offer period is altered, the Company will notify investors of such change through a Regulatory Information Service.

Important: Before completing this form, you should read this Prospectus dated 4 July 2017 (the “**Prospectus**”) and the Terms and Conditions of the Offer for Subscription set out in Part 13 of this Prospectus and the accompanying notes to this form.

Box 1 (applications must be for a minimum of 1,000 Shares and in multiples of 100 Shares thereafter)

To:      Empiric Student Property Plc and the Receiving Agent

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### 1      **APPLICATION**

I/We the person(s) detailed in Section 2A below offer to subscribe the amount shown in Box 1 for Shares subject to the Terms and Conditions of the Offer for Subscription set out in this Prospectus and subject to the articles of association of the Company in force from time-to-time.

### 2A.     **DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED**

(BLOCK CAPITALS)

1:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Postcode
Designation (if any):		
2:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Postcode
Designation (if any):		



3:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Postcode
Designation (if any):		

4:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Postcode
Designation (if any):		

**2B. CREST ACCOUNT DETAILS INTO WHICH SHARES ARE TO BE DEPOSITED (IF APPLICABLE)**

Only complete this Section if Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in Section 2A.

(BLOCK CAPITALS)

CREST Participant ID: 

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CREST Member Account ID: 

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### 3 SIGNATURE(S): ALL HOLDERS MUST SIGN

By completing the signature/execution boxes below you are deemed to have read this Prospectus and agreed to the terms and conditions in Part 13 of this Prospectus (Terms and Conditions under the Offer for Subscription) and to have given the warranties, representations and undertakings set out therein.

First Applicant Signature:		Date	
Second Applicant Signature:		Date	
Third Applicant Signature:		Date	
Fourth Applicant Signature:		Date	

#### Execution by a Company

Executed by (Name of Company)		Date	
Name of Director:		Signature:	Date
Name of Director/Secretary/Witness:		Signature:	Date
If you are affixing a company seal, please mark a cross		Affix Company Seal here:	

### 4 SETTLEMENT

Please tick the relevant box confirming your method of payment.

- (a) **Cheque/Banker's Draft**

If you are subscribing for Shares and paying by cheque or banker's draft, pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 1 (being the Issue Price of 109 pence per Share multiplied by the number of Shares you wish to subscribe for) made payable to "CIS PLC re: Empiric Student Property plc – Offer for Subscription A/C". Cheques and bankers' payments must be in Sterling and drawn on an account at a branch of a clearing bank in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number in the top right hand corner.

- (b) **Electronic Bank Transfer**

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11.00 a.m. on 19 July 2017. Please contact Computershare Investor Services PLC by email at EmpiricOFS@computershare.co.uk for full bank details or telephone the Shareholder Helpline for further information. Computershare will then provide you with a unique reference number which must be used when sending payment. Please enter below the sort code of the bank and branch you will be instructing to make



such payment for value by 11.00 a.m. on 19 July 2017 together with the name and number of the account to be debited with such payment and the branch contact details.

Sort Code:	Account name:
Account number:	Contact name at branch and telephone number:

(c) **CREST Settlement**

If you so choose to settle your commitment within CREST, that is DVP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Shares to be made against payment of the Issue Price per Share, following the CREST matching criteria set out below:

Trade Date: 21 July 2017  
Settlement Date: 24 July 2017  
Company: Empiric Student Property plc  
Security Description: Shares of £0.01 each  
SEDOL: BLWDVR7  
ISIN: GB00BLWDVR75

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 8RA32 by no later than 1.00 p.m. on 21 July 2017.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

## 5 RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in Section 6 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "**firm**") which is itself subject in its own country to operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom.

**DECLARATION:**

**To the Company and the Receiving Agent**

With reference to the holder(s) detailed in Section 2A, all persons signing at Section 3 and the payor identified in Section 6 if not also a holder (collectively the “**subjects**”) WE HEREBY DECLARE:

- we operate in the United Kingdom, or in a country where money laundering regulations under the laws of that country are, to the best of our knowledge, no less stringent than those which prevail in the United Kingdom and our firm is subject to such regulations;
- we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
- we confirm the accuracy of the names and residential business address(es) of the holder(s) given at Section 2A and if a CREST Account is cited at Section 2B that the owner thereof is named in Section 2A;
- having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Shares mentioned; and
- where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed:	Name:	Position:
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Name of regulatory authority:	Firm's licence number:
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Website address of telephone number of regulatory authority:
STAMP of firm giving full name and business address:



**6 IDENTITY INFORMATION**

If the declaration in Section 5 cannot be signed and the value of your application is greater than €15,000 (or the Sterling equivalent), please enclose with this Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by the Receiving Agent to the first named Applicant.

Holders				Payor
<input type="checkbox"/>				

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

**A For each holder being an individual enclose:**

Tick here for documents provided

(1) an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and

<input type="checkbox"/>				
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(2) an original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in Section 2A is that person’s residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and

<input type="checkbox"/>				
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(3) if none of the above documents show their date and place of birth, enclose a note of such information; and

(4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary.

**B For each holder being a company (a “holder company”) enclose:**

(1) a certified copy of the certificate of incorporation of the holder company; and

<input type="checkbox"/>				
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(2) the name and address of the holder company’s principal bankers from which the Receiving Agent may request a reference, if necessary; and

<input type="checkbox"/>				
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(3) a statement as to the nature of the holder company’s business, signed by a director; and

<input type="checkbox"/>				
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(4) a list of the names and residential addresses of each director of the holder company; and

<input type="checkbox"/>				
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(5) for each director provide documents and information similar to that mentioned in A above; and

<input type="checkbox"/>				
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(6) a copy of the authorised signatory list for the holder company; and 

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(7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a “**beneficiary company**”), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company. 

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**C For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4).**

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**D For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:**

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(1) a certified copy of the certificate of incorporation of that beneficiary company; and 

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(2) a statement as to the nature of that beneficiary company’s business signed by a director; and 

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(3) the name and address of that beneficiary company’s principal bankers from which the Receiving Agent may request a reference, if necessary; and 

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(4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company. 

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**E If the payor is not a holder and is not a bank providing its own cheque or banker’s payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:**

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(1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or 

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(2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and 

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(3) an explanation of the relationship between the payor and the holder(s). 

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The Receiving Agent reserves the right to ask for additional documents and information.



## 7 CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in Section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in Section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:

E-mail address:

Contact address:

Telephone No:

Fax No:





