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*The contents of this announcement, which have been prepared by and are the sole responsibility of The PRS REIT plc, have been approved by G10 Capital Limited (the "AIFM"), as a financial promotion solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 ("FSMA").*

25 May 2017

**The PRS REIT plc**  
**(the "Company" or the "PRS REIT")**

**Results of**  
**Placing, Offer for Subscription and Intermediaries Offer**

The PRS REIT plc is pleased to announce that it has successfully raised gross proceeds of £250 million pursuant to the placing, offer for subscription and intermediaries offer (the "Issue") of ordinary shares of £0.01 each (the "Ordinary Shares") as described in the prospectus published by the Company on 4 May 2017 (the "Prospectus"). The Issue was significantly oversubscribed with demand exceeding the target fundraise amount of £250 million and accordingly applications were scaled back. The net proceeds of the Issue ("Net Proceeds") are expected to be approximately £245 million. The Investment Adviser to the Company is Sigma PRS Management Limited, part of Sigma Capital Group plc, one of the leading providers of PRS properties in the UK. The UK Government's Homes and Communities Agency ("HCA") is supporting the PRS REIT as a direct investor and subscribed for 9.99% of the Issue.

**Highlights**

- The PRS REIT is the first REIT to be admitted to trading on the London Stock Exchange to focus purely on the private rented sector ("PRS")
- The Net Proceeds of £245 million will be used to invest in a portfolio of newly-constructed residential PRS sites of multiple units. These units will mainly comprise family homes and be located across sites in cities and towns in regions across England, with a focus on the main conurbations and largest employment centres outside London
- The UK Government's Homes and Communities Agency ("HCA") has supported the Issue with a direct investment in the Company of c. £25 million (c. 9.99 per cent. of the Issue)
- The Company's objective is to provide investors with an attractive level of income together with the prospect of income and capital growth through investment in a portfolio of newly-constructed, residential PRS sites of multiple units

- The PRS REIT is targeting a stabilised dividend yield of 6 per cent. or more per annum and net total shareholder returns of 10 per cent. or more per annum post stabilisation\*
- The target dividend yield in the period to 30 June 2018 is 5 per cent\*
- A pipeline of c. 2,535 new homes with a Total Cost of c. £375 million is already identified and contracted, including a First Acquisition Portfolio of c. £72 million of assets either completed or under construction

Application has been made in respect of 250,000,000 Ordinary Shares to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange plc (“Admission”). It is expected that Admission will become effective and dealings in the Ordinary Shares will commence at 8.00 a.m. (London time) on 31 May 2017.

Nplus1 Singer Advisory LLP (“N+1 Singer”) is acting as financial adviser and joint bookrunner and Stifel Nicolaus Europe Limited (“Stifel”) is acting as joint bookrunner to the Company. G10 Capital Limited (“G10”) is acting as alternative investment fund manager (“AIFM”).

\* This is a target only and not a profit forecast. There can be no assurance that the target can or will be met and should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company or assume that the Company will make any distributions at all and should decide for themselves whether or not the target dividend yield is reasonable or achievable.

**Steve Smith, Chairman of the Company said:**

*“The launch of this PRS REIT breaks new ground, since it is the first REIT to focus purely on the private rented sector. We’re delighted to report that our target of £250m gross has been raised, with the fundraising significantly oversubscribed. Investors include some of the UK’s leading institutions as well as a strong base of qualifying private investors.*

*“Furthermore, the support of the Government’s Homes and Communities Agency as a cornerstone investor underlines our confidence in our approach, which is to establish investment-grade, professionally managed new family homes for rent at scale across the regions in England.*

*“We believe that The PRS REIT has the potential to deliver an attractive level of dividend income together with the prospect of capital growth.”*

**Graham Barnett, CEO of Sigma Capital Group plc and Sigma PRS Management Limited, the Investment Adviser to the Company, said:**

*“We are tremendously excited about prospects for The PRS REIT. There is an acute shortage of new rental homes across England and Sigma’s success in the private rented sector clearly demonstrates the unmet need for a high quality, professionally managed family homes in the English regions.*

*“The PRS REIT will be funding new rental homes which are aimed at 26-45 year olds earning within the UK’s average household income band. Currently, the average family that cannot afford to buy has little choice and is faced with the prospect of renting relatively poor quality or poorly managed homes. The new homes funded by The PRS REIT are intended to be the polar opposite of this – high quality homes, near good schools and transport links, offering security of tenure.*

*We look forward to advising and managing the development of what we hope will be one of the largest PRS portfolios in the UK.”*

Capitalised terms used but not defined in this announcement shall have the meanings given to such terms in

the Prospectus.

**For further information, please contact:**

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**Notes to Editors**

**About Sigma PRS Management Limited**

Sigma PRS Management Limited is a wholly owned subsidiary of AIM-quoted Sigma Capital Group plc ("Sigma") and has been appointed as the Company's Investment Adviser.

**About Sigma Capital Group plc**  
[www.sigmacapital.co.uk](http://www.sigmacapital.co.uk)

Sigma is a private rented sector, residential development, and urban regeneration specialist, with offices in Edinburgh, Manchester and London. Sigma's principal focus is on the delivery of large scale housing schemes for the private rented sector. It has a well-established track record in assisting with property-related regeneration projects in the public sector, acting as a bridge between the public and private sectors.

**AIFM**

G10 (part of the Lawson Conner Group) has been appointed as alternative investment fund manager (AIFM) to the Company.

## IMPORTANT NOTICE

This is a financial promotion and is not intended to be investment advice. The content of this announcement, which has been prepared by and is the sole responsibility of the Company, has been approved by G10 Capital Limited, an entity which is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom (reference number 648953) solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended). The information in this announcement has not been approved by the Financial Conduct Authority of the United Kingdom.

This announcement is an advertisement and does not constitute a prospectus and investors must subscribe for or purchase any shares referred to in this announcement only on the basis of information contained in the Prospectus (and in any supplementary prospectus) and not in reliance on this announcement. Copies of the Prospectus may, subject to any applicable law, be obtained from the registered office of the Company and is also available for viewing at the National Storage Mechanism at <http://www.morningstar.co.uk/NSM> and on the Company's website. This announcement does not constitute, and may not be construed as, an offer to sell or an invitation to purchase investments of any description or a recommendation regarding the issue or the provision of investment advice by any party. No information set out in this announcement or referred to in other written or oral form is intended to form the basis of any contract of sale, investment decision or any decision to purchase shares in the Company.

The Specialist Fund Segment is intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk of investing in companies admitted to the Specialist Fund Segment. Further, the Ordinary Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and understand that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment. Acquiring Ordinary Shares to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. The value of Ordinary Shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the initial public offering for the person concerned. Past performance or information in this announcement or any of the documents relating to the initial public offering cannot be relied upon as a guide to future performance.

The information contained in this announcement is given at the date of its publication (unless otherwise marked) and is subject to updating, revision and amendment.

The value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. Figures refer to past performance and past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. Capital is at risk and investors need to understand the risks of investing. Please refer to the Prospectus for further information, in particular in the risk section.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, strategy, plans, proposed acquisitions and objectives, are forward-looking statements.

Forward-looking statements are subject to risks and uncertainties and, accordingly, the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the Prospectus. These forward-looking statements speak only as at the date of this announcement and cannot be relied upon as a guide to future performance. These forward-looking statements and other

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

N+1 Singer and Stifel, which are authorised and regulated by the Financial Conduct Authority, are acting for the Company only in connection with the matters described in this announcement and are not acting for or advising any other person, or treating any other person as their client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of N+1 Singer or Stifel or advice to any other person in relation to the matters contained herein.

The Alternative Investment Fund Managers Directive has been implemented in the United Kingdom through the Alternative Investment Fund Managers Regulations 2013 (as amended) (the “**AIFM Regulations**”). For the purpose of the AIFM Regulations, the Company will be a UK AIF. Under the Alternative Investment Fund Managers Directive regime, the AIFM is entitled to passport marketing of the Ordinary Shares into member states of the European Economic Area (“**EEA**”). The AIFM has applied to the Financial Conduct Authority (the FCA) and received approval enabling the Company to market the Shares to professional investors in the Netherlands under the Alternative Investment Fund Managers Directive passport procedure.

The shares of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933 (as amended) (the “**Securities Act**”) or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold into or within the United States. Moreover, the shares of the Company have not been, nor will they be, registered under the applicable securities laws of Australia, Republic of Ireland, Canada, the Republic of South Africa, Japan or any member state of the EEA (other than the United Kingdom). Further, the Company is not, and will not be, registered under the US Investment Company Act of 1940, as amended. The shares of the Company will be offered outside of the United States pursuant to the provisions of Regulation S of the Securities Act. Subject to certain exceptions, the shares of the Company may not be offered or sold in the United States, Australia, Republic of Ireland, Canada, the Republic of South Africa, Japan or any member state of the EEA (other than the United Kingdom or to professional investors in certain EEA member states for which marketing passports have been obtained) or to, or for the account or benefit of, any national, resident or citizen of the United States, Australia, Republic of Ireland, Canada, the Republic of South Africa, Japan or any member state of the EEA (other than the United Kingdom or to professional investors in certain EEA member states for which marketing passports have been obtained). The Issue and any subsequent placing under the placing programme, and the distribution of this announcement, in other jurisdictions may be restricted by law and the persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of such jurisdictions.

The AIFM, the Company, the Investment Adviser, N+1 Singer and Stifel expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Prospectus Rules of the Financial Conduct Authority, the EU Market Abuse Regulation or other applicable laws, regulations or rules.

In connection with the initial public offering and the Admission, each of N+1 Singer and Stifel and any of their respective affiliates, acting as investors for their own accounts, may purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the initial public offering and the Admission or otherwise. Accordingly, references in the Prospectus to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by any of N+1 Singer or Stifel and any of their affiliates acting as investors for their own accounts. N+1 Singer and Stifel do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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