

Purpose: This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

KCR Residential REIT

Identifier: GB00BYWK1Q82

KCR Residential REIT PLC

<http://www.kcrreit.com/>

Call +442037935236 for more information

Competent Authority: FCA (www.fca.org.uk)

Date of Publication: 31-01-2020

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

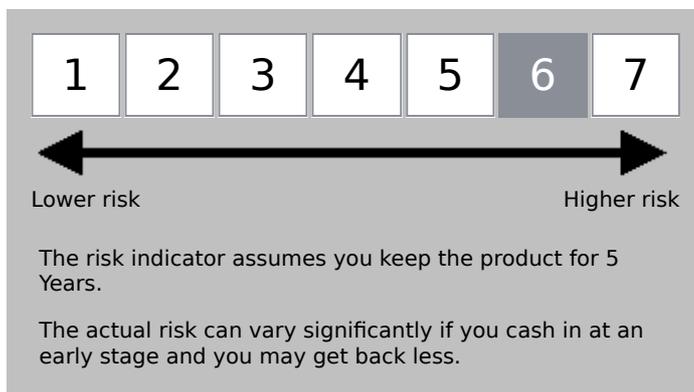
Type Ordinary shares of KCR Residential REIT plc, a real estate investment company (the Company) incorporated in England and Wales (Shares). The Shares are denominated in GBP and traded on the AIM Market (AIM) of the London Stock Exchange. The Company is not authorised or regulated as a collective investment scheme by the Financial Conduct Authority.

Objectives To acquire or develop residential real estate in the UK, Australia and Germany, mainly through acquiring special purpose companies owning one or more residential properties. Portfolio investment focus in the near term will be in the UK. Investment returns will be generated for holders of the Shares based on the net cashflows generated from rental income on the investment portfolio owned by the Company (via wholly owned subsidiaries) or from realised capital gains on disposal of the underlying properties. The Company as an AIM listed REIT has a permanent capital structure and the ability to continue to operate on a perpetual basis. However, the Company could potentially be wound up at any time, if over 75% of holders of the Shares vote to do so. On a winding up, the liquidator would distribute the net proceeds generated from the sale of the assets of the Company to shareholders once any debts of the Company have been paid.

Intended retail investor The Company is AIM listed and its shares can be purchased by any investor. Typical investors in the Company are expected to be institutional investors, professionally-advised private investors, highly knowledgeable private investors who understand and are capable of evaluating the risks of such an investment, and, retail investors looking for exposure to residential real estate. The Shares are only suitable for investors who understand that there is a risk of losing their initial investment and that there may be limited ability to sell the Shares. Investment in the Shares should only be undertaken as part of a diversified investment programme by investors who fully understand and are willing to assume the risks involved in such an investment.

Maturity date This product has no maturity date.

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



This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact the capacity to pay you.

Investment GBP 10 000				
Scenarios		1 Year	3 Years	5 Years (Recommended Holding Period)
Stress scenario	What you might get back after costs	662.97	1 921.49	1 050.12
	Average return each year	-93.37%	-42.30%	-36.28%
Unfavourable scenario	What you might get back after costs	5 396.00	2 611.26	1 390.62
	Average return each year	-46.04%	-36.08%	-32.60%
Moderate scenario	What you might get back after costs	8 070.95	5 281.20	3 458.55
	Average return each year	-19.29%	-19.17%	-19.13%
Favourable scenario	What you might get back after costs	12 161.70	10 760.51	8 665.58
	Average return each year	21.62%	2.47%	-2.82%

This table shows the money you could get back over the next 5 Years, under different scenarios, assuming that you invest GBP 10 000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if KCR Residential REIT PLC is unable to pay out?

The Company is not required to make any payment to you in respect of your investment. As a shareholder of the Company you would not be able to make a claim for compensation to the Financial Services Compensation Scheme in the event KCR is unable to pay out

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest GBP 10 000. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment GBP 10 000

Scenarios	If you cash in after 1 year	If you cash in after 3 Years	If you cash in after 5 Years
Total costs	336.29	1 044.80	1 802.19
Impact on return (RIY) per year	3.36%	3.37%	3.37%

Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	4.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.00%	The impact of the costs that we take each year for managing your investments and the costs presented in Section II.
Incidental costs	Performance fees	0.00%	The impact of the performance fee.
	Carried interests	0.00%	The impact of carried interests.

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

This product has no required minimum holding period but is designed for long term investment; you should be prepared to stay invested in the Company for at least 5 years. The Company's shares are admitted to the London Stock Exchange's AIM Market for smaller growing companies. AIM securities are not admitted to the Official List. The Company does not have a redemption facility. Shareholders wishing to realise their investment may do so by selling their shares on the market.

How can I complain?

If you have any complaints about the product or conduct of the manufacturer or the person advising on, or selling the product you may lodge your complaint with the Company Secretary in one of three ways: - Website: <http://www.kcrreit.com/> - Email: info@kcrreit.com - Phone: +442037935236 As a shareholder of KCR you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of KCR.

Other relevant information

The content of this document including references in respect of risk, potential future performance and costs are disclosed and calculated in accordance with the methodologies prescribed by EU regulation. The scenarios presented have been calculated using proxy data and historic share price data. Further information relevant to KCR is available at www.kcrreit.com including copies of the report and accounts, latest prospectus and fact sheets.