

Purpose

This document provides you with the 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.

Product - Custodian REIT plc

ISIN - GB00BJFLT45

Manufacturer - Custodian Capital Limited

Website - www.custodiancapital.com

Telephone - (+44) 116 240 8740

Competent Authority - Financial Conduct Authority

Date - This key investor information is accurate as at 1 January 2018

Alert

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

What is the product?

Type - This product is a close ended Real Estate Investment Trust ("REIT"), listed on the London Stock Exchange and incorporated in the United Kingdom. The Company's Ordinary Shares are therefore available to the general public. The manufacturer, Custodian Capital Limited, is authorised and regulated by the Financial Conduct Authority to manage the product as an alternative investment fund.

Objectives

- To hold a portfolio of UK commercial property, diversified by sector, location, tenant and lease term;
- To focus on areas with high residual values, strong local economies and an imbalance between supply and demand. Within these locations, the objective is to acquire modern buildings or those that are considered fit for purpose by occupiers;
- To have no one tenant or property accounting for more than 10% of the total rent roll of the portfolio at the time of purchase, except:
 - a) In the case of a single tenant which is a governmental body or department, where no limit shall apply; or
 - b) In the case of a single tenant rated by Dun & Bradstreet ("D&B") as having a credit risk score higher than two, where the exposure to such single tenant may not exceed 5% of the total rent roll (a risk score of two represents "lower than average risk").
- To maintain an average unexpired lease term to first break of over five years across the portfolio secured against low risk tenants and to minimise rental voids;
- Not to undertake speculative development (that is, development of property which has not been leased or pre-leased), save for refurbishment of existing holdings, but may (provided that it shall not exceed 20% of the gross assets of the Company) invest in forward funding agreements or forward commitments (these being arrangements by which the Company may acquire pre-development land under a structure designed to provide the Company with investment rather than development risk) of pre-let developments, where the Company intends to own the completed development; and
- To target borrowings of up to 25% of the aggregate market value of all the properties of the Company at the time of borrowing.

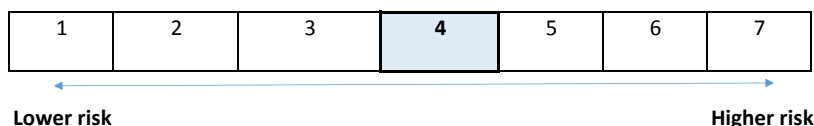
Intended consumer

Intended consumers comprise eligible counterparties, retail clients and professional clients, who are prepared to take on a level of risk of loss to their original capital in order to get a higher potential return and who typically plan to stay invested for at least five years.

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

Summary risk indicator

The cost, performance and risk calculators included in this KID follow the methodology prescribed by EU rules.



The summary risk indicator is a guide to the level of risk of this product compared to other products and 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. The risk indicator assumes you keep the product for five years, and performance has been based on share price total return with dividends reinvested. We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity to pay you. The product's principal risks are set out in its Annual Report available at <http://www.custodianreit.com/annual-interim-reports/>.

Performance scenarios

Investment: £10,000		1 year	3 years	5 years
Stress scenario	What you might get back after costs	£5,227	£5,944	£5,029
	Average return each year	-47.73%	-15.92%	-12.85%
Unfavourable scenario	What you might get back after costs	£9,178	£9,453	£10,096
	Average return each year	-47.73%	-15.92%	-12.85%
Moderate scenario	What you might get back after costs	£10,757	£12,447	£14,403
	Average return each year	7.57%	7.57%	7.57%
Favourable scenario	What you might get back after costs	£12,606	£16,388	£20,544
	Average return each year	26.06%	17.90%	15.49%

This table shows the money you could get back over the next 5 years (recommended holding period), under different scenarios, assuming that you invest £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 product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where Custodian REIT plc is not able to pay you.

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

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

What are the costs?

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

The 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. Shares in the Product are bought and sold via the London Stock Exchange. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it.

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

Investment £10,000			
Scenarios		If you cash in after half the recommended holding period	If you cash in after the recommended holding period
	If you cash in after 1 year		
Total costs	£433	£1,566	£3,144
Impact on return (RIY) per year	4.33%	4.33%	4.33%

This table shows the impact on return per 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.

One-off costs	Entry costs	NIL%	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	NIL%	The impact of exiting your investment when it matures
Ongoing costs	Portfolio transaction costs	2.3%	The impact of the costs of us buying and selling underlying investments for the product
	Other ongoing costs	2.1%	The impact of the costs that we take each year for managing your investments and the costs of running the fund, including interest on bank debt
Incidental costs	Performance fees	NIL%	This product does not have any performance fees
	Carried interests	NIL%	This product does not have any carried interests

Advisers/distributors will provide information on any costs of distribution which are not included in the PRIIP cost calculations to allow investors to understand the cumulative effect of aggregate costs.

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

Recommended holding period: 5 years

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

How can I complain?

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

Custodian Capital Limited
1 Penman Way
Grove Park
Enderby
Leicester
LE19 1SY

Telephone - (+44) 116 240 8740
Email - Property@custodiancapital.com

Any complaints will be responded to within 5 working days.

Other relevant information

We are required to provide you with further documentation, such as the product's latest prospectus, annual and semi-annual reports. These documents and other product information are available online at www.custodianreit.com.