

THIS DOCUMENT 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.

A copy of this document, which comprises a prospectus relating to GCP Student Living plc (“**the Company**”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made under Section 84 of FSMA, has been delivered to the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules. This document has been made available to the public as required by the Prospectus Rules.

Applications will be made to the London Stock Exchange for all of the Placing Shares to be issued pursuant to the Placing Programme to be admitted to trading on the London Stock Exchange (Specialist Fund Segment). It is expected that Admission of such Placing Shares will become effective and dealings in such Placing Shares will commence during the period from 29 April 2016 to 28 April 2017.

The Shares are not dealt in on any other recognised investment exchanges and no applications for the Shares to be traded on any such other exchanges have been made or are currently expected to be made.

The Company and each of the Directors, whose names appear on page 34 of this document, accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information or which would make any statement contained herein misleading.

Prospective investors should read the entire document and, in particular, the section headed “Risk Factors” beginning on page 16 when considering an investment in the Placing Shares.

The Placing Programme will remain open until 28 April 2017 or such earlier time at which the maximum number of Placing Shares to be issued pursuant to the Placing Programme have been issued. Further details of the Placing Programme are set out in Part 3 of this document.

GCP STUDENT LIVING PLC

(Incorporated in England and Wales with registered number 8420243 and registered as an investment company under Section 833 of the Companies Act)

Placing Programme in respect of up to 65 million Shares

Investment Manager

Gravis Capital Partners LLP

Financial Adviser and Placing Agent

Stifel Nicolaus Europe Limited

Stifel Nicolaus Europe Limited (“**Stifel**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no-one else in connection with the Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stifel, nor for providing advice in connection with the Placing Programme. Stifel is not responsible for the contents of this document. This does not limit or exclude any responsibilities which Stifel may have under FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, which may be imposed on Stifel by FSMA or the regulatory regime established thereunder, Stifel does not accept any responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Investment Manager, the Placing Shares or the Placing Programme. Stifel accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Placing Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, Stifel or the Investment Manager. The offer and sale of Placing Shares has not been and will not be registered under the applicable securities law of any state, province or territory of the United States, Australia, Canada, the Republic of South Africa or Japan. Subject to certain exemptions, the Placing Shares may not be offered, sold or delivered, directly or indirectly, within the United States, Australia, Canada, the Republic of South Africa or Japan or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933 (as amended) (the “**US Securities Act**”)) or to any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

The Placing Shares have not been nor will be registered under the U.S. Securities Act or with any securities or regulatory authority of any state or other jurisdiction of the United States and the Placing 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). There will be no public offer of the Placing Shares in the United States. The Placing Shares are being offered or sold only 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. 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**”) and investors will not be entitled to the benefits of the U.S. Investment Company Act. This document should not be distributed into the United States or to U.S. Persons.

Dated: 29 April 2016.

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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 security 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 security 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”.

Section A – Introduction and warnings		
Element	Disclosure Requirement	Disclosure
A.1.	Warning	This summary should be read as an introduction to this document. Any decision to invest in the Placing Shares should be based on consideration of the document as a whole by the investor. Where a claim relating to the information contained in this document 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 document 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 document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale or final placement of securities through financial intermediaries	Not applicable, the Company is not engaging any financial intermediaries for any resale or final placement of securities after publication of this document.
Section B – Issuer		
Element	Disclosure Requirement	Disclosure
B.1.	Legal and commercial name	GCP Student Living plc.
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 26 February 2013 with registered number 8420243 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.

B.5.	Group description	<p>The Company is the holding company of the Group. The Company has the following wholly owned subsidiaries:</p> <table border="1" data-bbox="611 224 1439 1294"> <thead> <tr> <th data-bbox="611 224 981 302">Name</th> <th data-bbox="981 224 1236 302">Date of incorporation</th> <th data-bbox="1236 224 1439 302">Registered number</th> </tr> </thead> <tbody> <tr> <td data-bbox="611 302 981 347">GCP Topco Limited</td> <td data-bbox="981 302 1236 347">27 August 2015</td> <td data-bbox="1236 302 1439 347">9751720</td> </tr> <tr> <td data-bbox="611 347 981 392">GCP Holdco Limited</td> <td data-bbox="981 347 1236 392">27 August 2015</td> <td data-bbox="1236 347 1439 392">9751644</td> </tr> <tr> <td data-bbox="611 392 981 436">GCP Scape East Limited</td> <td data-bbox="981 392 1236 436">15 November 2013</td> <td data-bbox="1236 392 1439 436">8776650</td> </tr> <tr> <td data-bbox="611 436 981 481">Ternion (Danehurst) Limited</td> <td data-bbox="981 436 1236 481">31 May 2006</td> <td data-bbox="1236 436 1439 481">5833170</td> </tr> <tr> <td data-bbox="611 481 981 526">GCP Operations Limited</td> <td data-bbox="981 481 1236 526">26 March 2014</td> <td data-bbox="1236 481 1439 526">8961147</td> </tr> <tr> <td data-bbox="611 526 981 627">Leopard Guernsey Greenwich JV Limited</td> <td data-bbox="981 526 1236 627">26 October 2012</td> <td data-bbox="1236 526 1439 627">55788 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="611 627 981 728">Leopard Guernsey Greenwich Limited</td> <td data-bbox="981 627 1236 728">3 November 2011</td> <td data-bbox="1236 627 1439 728">54194 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="611 728 981 828">Leopard Guernsey Greenwich 2 Limited</td> <td data-bbox="981 728 1236 828">23 April 2012</td> <td data-bbox="1236 728 1439 828">55013 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="611 828 981 873">GCP RHUL Limited</td> <td data-bbox="981 828 1236 873">15 November 2013</td> <td data-bbox="1236 828 1439 873">8776872</td> </tr> <tr> <td data-bbox="611 873 981 918">GCP RHUL 2 Limited</td> <td data-bbox="981 873 1236 918">13 April 2016</td> <td data-bbox="1236 873 1439 918">10120942</td> </tr> <tr> <td data-bbox="611 918 981 963">GCP SG Limited</td> <td data-bbox="981 918 1236 963">20 February 2014</td> <td data-bbox="1236 918 1439 963">8904577</td> </tr> <tr> <td data-bbox="611 963 981 1064">Old Street Acquisitions Limited</td> <td data-bbox="981 963 1236 1064">18 December 2012</td> <td data-bbox="1236 963 1439 1064">56049 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="611 1064 981 1164">Leopard Guernsey Old Street Limited</td> <td data-bbox="981 1064 1236 1164">21 September 2011</td> <td data-bbox="1236 1064 1439 1164">54000 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="611 1164 981 1265">Leopard Guernsey Old Street 2 Limited</td> <td data-bbox="981 1164 1236 1265">19 October 2011</td> <td data-bbox="1236 1164 1439 1265">54120 (Guernsey incorporated)</td> </tr> <tr> <td data-bbox="611 1265 981 1294">GCP WL Limited</td> <td data-bbox="981 1265 1236 1294">3 February 2016</td> <td data-bbox="1236 1265 1439 1294">9986426</td> </tr> </tbody> </table>	Name	Date of incorporation	Registered number	GCP Topco Limited	27 August 2015	9751720	GCP Holdco Limited	27 August 2015	9751644	GCP Scape East Limited	15 November 2013	8776650	Ternion (Danehurst) Limited	31 May 2006	5833170	GCP Operations Limited	26 March 2014	8961147	Leopard Guernsey Greenwich JV Limited	26 October 2012	55788 (Guernsey incorporated)	Leopard Guernsey Greenwich Limited	3 November 2011	54194 (Guernsey incorporated)	Leopard Guernsey Greenwich 2 Limited	23 April 2012	55013 (Guernsey incorporated)	GCP RHUL Limited	15 November 2013	8776872	GCP RHUL 2 Limited	13 April 2016	10120942	GCP SG Limited	20 February 2014	8904577	Old Street Acquisitions Limited	18 December 2012	56049 (Guernsey incorporated)	Leopard Guernsey Old Street Limited	21 September 2011	54000 (Guernsey incorporated)	Leopard Guernsey Old Street 2 Limited	19 October 2011	54120 (Guernsey incorporated)	GCP WL Limited	3 February 2016	9986426
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B.6.	Major shareholders	<p>So far as is known to the Company by virtue of the notifications made pursuant to the Disclosure and Transparency Rules, as at the Latest Practicable Date the following persons hold directly or indirectly three per cent. or more of the Shares:</p> <table border="1" data-bbox="611 1444 1439 1691"> <thead> <tr> <th data-bbox="611 1444 1061 1523">Name</th> <th data-bbox="1061 1444 1252 1523">Number of Shares held</th> <th data-bbox="1252 1444 1439 1523">% of issued Share Capital</th> </tr> </thead> <tbody> <tr> <td data-bbox="611 1523 1061 1568">Bank of Montreal</td> <td data-bbox="1061 1523 1252 1568">25,064,101</td> <td data-bbox="1252 1523 1439 1568">11.51</td> </tr> <tr> <td data-bbox="611 1568 1061 1612">CCLA Investment Management Ltd</td> <td data-bbox="1061 1568 1252 1612">21,430,788</td> <td data-bbox="1252 1568 1439 1612">9.84</td> </tr> <tr> <td data-bbox="611 1612 1061 1657">Old Mutual plc</td> <td data-bbox="1061 1612 1252 1657">15,244,727</td> <td data-bbox="1252 1612 1439 1657">7.00</td> </tr> <tr> <td data-bbox="611 1657 1061 1691">Investec Wealth and Investment Limited</td> <td data-bbox="1061 1657 1252 1691">12,050,466</td> <td data-bbox="1252 1657 1439 1691">5.54</td> </tr> </tbody> </table> <p>All Shareholders have the same voting rights in respect of the share capital of the Company.</p> <p>As at the Latest Practicable Date, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.</p>	Name	Number of Shares held	% of issued Share Capital	Bank of Montreal	25,064,101	11.51	CCLA Investment Management Ltd	21,430,788	9.84	Old Mutual plc	15,244,727	7.00	Investec Wealth and Investment Limited	12,050,466	5.54																																	
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B.7.	Key financial information	<p>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</p>																																																

2014, the audited consolidated financial statements of the Group for the financial period from 1 July 2014 and ended 30 June 2015 and the interim reports and unaudited financial information of the Group for the six month periods ended 31 December 2014 and 31 December 2015:

Statement of financial position

	Financial period from 1 July 2014 to 30 June 2015 (audited) £'000	Financial period from the Company's incorporation to 30 June 2014 (audited) £'000	Financial period from 1 July 2015 to 31 December 2015 (unaudited) £'000	Financial period from 1 July 2014 to 31 December 2014 (unaudited) £'000
<i>Assets and liabilities</i>				
Property	177,220	151,560	400,470	160,650
Receivables	18,683	1,315	6,452	1,691
Cash and cash equivalents	106,292	3,629	12,866	3,250
Total assets	302,503	157,507	421,110	166,548
Payables	(4,819)	(2,212)	(10,927)	(1,803)
Deferred income	(2,442)	(2,028)	(5,179)	(2,523)
Senior loan	(39,569)	(39,456)	(128,060)	(39,513)
Financial liabilities at amortised cost	(117,422)	—	—	—
Total liabilities	(164,774)	(44,652)	(145,488)	(45,080)
Net assets	137,729	112,855	275,622	121,468
Number of Shares (+ 120,000,000 C shares)	109,910,428	109,910,428	203,635,708	109,910,428
NAV per Share (pence) (C share NAV = 97.85)	125.51	102.64	135.35	110.77

Income statement

	Financial period from 1 July 2014 to 30 June 2015 (audited) £'000	Financial period from the Company's incorporation to 30 June 2014 (audited) £'000	Financial period from 1 July 2015 to 31 December 2015 (unaudited) £'000	Financial period from 1 July 2014 to 31 December 2014 (unaudited) £'000
<i>Income and expenses</i>				
Rental income	11,505	9,132	9,014	5,578
Operating expenses	(2,529)	(1,664)	(2,167)	(1,236)
Administration expenses	(2,001)	(2,357)	(2,613)	(813)
Gains on investment properties	25,660	5,010	21,699	9,090
Operating profit	32,635	10,121	25,933	12,619
Finance costs	(1,336)	(2,412)	(8,924)	(685)
Fair value movement on financial derivative	(261)	47	214	(331)
Total comprehensive income for the period	31,020	7,756	17,215	11,603

		<p>Save to the extent disclosed below, as at the date of this document, there has been no significant change in the financial condition and operating results of the Company or the Group during or subsequent to the period covered by the historical financial information.</p> <p>On 20 May 2013, the Company acquired Scape East for £93 million.</p> <p>On 3 December 2013, the Group acquired The Pad 1 for £13 million, and entered into a forward purchase agreement in respect of The Pad 2.</p> <p>On 27 February 2014, the Group entered into a forward purchase agreement in relation to Scape Surrey.</p> <p>On 26 March 2014, GCP Operations Limited, a new wholly owned subsidiary of the Company, was incorporated and effective from 1 April 2014, Scape Student Living took over the facilities and property management function, previously provided by Grosvenor Facilities Services Limited. It assumed the employment of those individuals providing asset and facilities management services to Scape East and Scape Greenwich. Accordingly, the facilities and property management agreement with Grosvenor Facilities Services Limited was terminated.</p> <p>On 30 May 2014, the Group acquired Scape Greenwich for approximately £40.5 million.</p> <p>On 7 September 2015, the Group acquired Scape Surrey for £18.9 million.</p> <p>On 25 September 2015, the Group acquired The Pad 2 for approximately £16.1 million.</p> <p>On 30 September 2015, the Group acquired Scape Shoreditch for approximately £166 million. On the same date, the Group completed a refinancing of its borrowing facilities under which it drew down £130,000,000, which was used to part finance the acquisition of Scape Shoreditch, and to repay the Group's then existing borrowings in full.</p> <p>On 3 February 2016, GCP WL Limited, a new wholly owned subsidiary of the Company, was incorporated and on 15 February 2016 GCP WL Limited acquired Water Lane Apartments for approximately £18.3 million.</p> <p>The independent Valuer completed a valuation of the Company's property portfolio as at 31 March 2016. Pursuant to such valuation, the independent Valuer valued the Company's property portfolio at £420.3 million compared to the valuation of £400.5 million as at 31 December 2015.</p> <p>On 13 April 2016, GCP RHUL 2 Limited, a new wholly owned subsidiary of the Company was incorporated and on 14 April 2016, GCP RHUL 2 Limited entered into the Forward Purchase Agreement.</p> <p>The Company has declared and paid on 4 March 2016 a second interim dividend of 1.41 pence per Share in respect of the period ended 31 December 2015. The Company has also declared a third interim dividend of 1.41 pence per Share in respect of the period ended 31 March 2016. The third interim dividend will be paid on 6 June 2016.</p>
B.8.	Key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate made.

B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audited financial statements of the Group contained in this document do not contain any qualifications.
B.11.	Qualified working capital	Not applicable. The Company is of the opinion that, after taking into account existing available facilities to the Group, the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months from the date of this document.
B.34.	Investment policy	<p>Investment objective</p> <p>The Company's investment objective is to provide Shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with RPI inflation-linked income characteristics.</p> <p>Investment policy</p> <p>The Company intends to meet its investment objective through owning, leasing and licensing student residential accommodation and teaching facilities to a diversified portfolio of direct let tenants and HEIs. The Company will mostly invest in modern, purpose built, private student residential accommodation and teaching facilities located primarily in and around London where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation. The Company may also invest in development and forward-funded projects which are consistent with the objective of providing Shareholders with regular, sustainable dividends and have received planning permission for student accommodation, subject to the Board being satisfied as to the reputation, track record and financial strength of the relevant developer and building contractor.</p> <p>Rental income will predominantly derive from a mix of contractual arrangements including direct leases and/or licences to students ("direct let agreements"), leases and/or licences to students guaranteed by HEIs and/or leases and/or licences directly to HEIs. The Company may enter into soft nominations agreements (<i>pari passu</i> marketing arrangements with HEIs to place their students in private accommodation) or hard nominations agreements (longer term marketing arrangements with HEIs of between two and 30 years in duration). Where the Company invests in properties which contain commercial or retail space it may derive further income through leases of such space. Where the Company invests in development and forward-funded projects, development costs will typically be paid in stages through construction, with a bullet payment at completion.</p> <p>The Company intends to focus primarily on accommodation and teaching facilities for students studying at Russell Group universities and other leading academic institutions, Regional Universities with satellite teaching facilities in and around London and at specialist colleges.</p> <p>The Company may invest directly or through holdings in special purpose vehicles and its assets may be held through limited partnerships, trusts or other vehicles with third party co-investors.</p> <p>Borrowing and gearing policy</p> <p>The Company may seek to use gearing to enhance returns over the long-term. The level of gearing will be governed by careful consideration of the cost of borrowing and the Company may seek</p>

		<p>to use hedging or otherwise seek to mitigate the risk of interest rate increases. Gearing, represented by borrowings as a percentage of Gross Assets, will not exceed 55 per cent. at the time of investment. It is the Directors' current intention to target gearing of less than 30 per cent. of Gross Assets in the long term and to comply with the REIT condition relating to the ratio between the Group's 'property profits' and 'property finance costs'.</p> <p>Use of derivatives</p> <p>The Company may invest through derivatives for efficient portfolio management. In particular, the Company may engage in interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company's efficient portfolio management.</p> <p>Investment restrictions</p> <p>The Company invests and manages its assets with the objective of spreading risk through the following restrictions:</p> <ul style="list-style-type: none"> ● the Company will derive its rental income from a portfolio of not less than 500 studios; ● 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 (over 60 years remaining at the time of acquisition) properties or the equivalent; ● the Company will not (i) invest more than 20 per cent. of its Gross Assets in undeveloped land; and (ii) commit more than 15 per cent. of its Gross Assets to forward-funded projects in respect of such undeveloped land, such commitment to be determined on the basis of the net construction funding requirements (and associated advisory costs) of such projects at the time of commitment up to their completion, in both cases as measured at the time of investment; ● the Company will not invest in completed assets which are not income generative at, or shortly following, the time of acquisition; and ● the Company will not invest in closed-ended investment companies. <p>The Directors currently intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as the principal company of a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).</p> <p>In the event of a breach of the investment guidelines and restrictions set out above, the Investment Manager shall inform the Directors upon becoming aware of the same and, if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service.</p> <p>No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.</p>
B.35.	Borrowing limits	<p>The Company may seek to use gearing to enhance returns over the long-term. The level of gearing will be governed by careful consideration of the cost of borrowing and the Company may seek to use hedging or otherwise seek to mitigate the risk of interest rate increases. Gearing, represented by borrowings as a percentage of Gross Assets, will not exceed 55 per cent. at the time of investment. It is the Directors' current intention to target gearing of less than 30 per cent. of Gross Assets in the long term and to comply with the</p>

		<p>REIT condition relating to the ratio between the Group's 'property profits' and 'property finance costs'.</p> <p>As at the Latest Practicable Date, the Group's outstanding debt under the Pricoa Debt Facility was £130 million and is repayable in September 2024.</p> <p>As at the Latest Practicable Date, the Group's average blended cost of borrowing was 3.07 per cent. and the gearing of the Group was approximately 31 per cent. of Gross Assets.</p>
B.36.	Regulatory status	The Company is not regulated as a collective investment scheme by the Financial Conduct Authority. However it is subject to the Prospectus Rules and the Disclosure and Transparency Rules.
B.37.	Typical investor	An investment in the Placing Shares is only suitable for institutional investors and professionally-advised private investors who understand and are capable of evaluating the merits and 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.
B.38.	Investment of 20 per cent. or more in a single underlying issuer or investment company	Not applicable. The Company will not invest 20 per cent. or more in a single underlying issuer or investment company.
B.39.	Investment of 40 per cent. or more in another collective investment undertaking	Not applicable. The Company will not invest 40 per cent. or more in another collective investment undertaking.
B.40.	Applicant's service providers	<p>Investment management arrangements</p> <p>The Investment Manager has been given, pursuant to the terms of the Investment Management Agreement, sole responsibility for the management of the Group's assets in accordance with the Company's investment policy, subject to the overall control and supervision of the Directors. The Investment Manager acts as the Company's AIFM for the purpose of the AIFMD and has day-to-day responsibility for the control and supervision of the Asset and Facilities Managers. The Investment Manager is entitled to receive from the Company: (i) a management fee which is calculated and paid quarterly in arrears at an annual rate of one per cent. of the prevailing NAV; and (ii) a £22,500 per annum fee in relation to the Investment Manager's services provided in its role as the Company's AIFM.</p> <p>Asset and facilities management arrangements</p> <p>The Group has appointed Scape Student Living as the asset and facilities manager in relation to the Scape Properties pursuant to which Scape Student Living provides asset and facilities management services in connection with the Scape Properties (including sales, marketing (including social media) and brand and general facilities management). Scape Student Living also has overall responsibility for the supervision and provision of asset management services through the oversight and management of the Group's employees and is responsible for the procurement and supervision of the facilities management services in connection with the Scape Properties.</p>

		<p>Under the terms of the Scape Agreements, Scape Student Living is entitled to a fee which is calculated and paid quarterly in arrears and is equal to one-quarter of the Investment Manager's management fee attributable to each relevant asset. The Investment Manager is responsible for the payment of fees to Scape Student Living out of its investment management fees.</p> <p>CRM has been appointed by the Group to provide asset and facilities management services (including sales, marketing, facilities and brand management) in relation to The Pad pursuant to the terms of the CRM Agreements. Under the terms of the CRM Agreements, CRM is entitled to an asset management fee of 5 per cent. of the total rental income of The Pad collected per annum. Scape Student Living will take over as the asset and facilities manager in respect of The Pad with effect from September 2016. The fees to be paid to Scape Student Living for its services in connection with The Pad will be paid on the same basis as is outlined above in respect of each of the Scape Properties.</p> <p>Collegiate has been appointed by the Group to provide asset and facilities management services (including sales, marketing, facilities and brand management) in relation to Water Lane Apartments pursuant to the terms of the Collegiate Agreement. Under the terms of the Collegiate Agreement, Collegiate is entitled to an asset management fee of 5.5 per cent. of the income collected by Collegiate in respect of Water Lane Apartments.</p> <p>Administration arrangements</p> <p>Capita Sinclair Henderson Limited has been appointed as Administrator to the Company. The Administrator provides the day-to-day administration of the Company. The Administrator is also responsible for the Company's general administrative functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records. Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee of £75,000 per annum (exclusive of VAT).</p> <p>Secretarial arrangements</p> <p>Capita Company Secretarial Services Limited has been appointed by the Company to provide company secretarial functions required by the Companies Act. The Secretary is entitled to a company secretary fee of £60,000 per annum (exclusive of VAT).</p> <p>Depositary arrangements</p> <p>Langham Hall UK Depositary LLP has been appointed depositary to the Company. Under the terms of the Depositary Agreement, the Depositary is responsible for: (i) ensuring the Company's cash flows are properly monitored; (ii) the safe keeping of Custody Assets and the Non-custody Assets of the Company entrusted to it (which it shall hold on trust for the Company); and (iii) the oversight and supervision of the Investment Manager and the Company. The Depositary is entitled to receive a fee of £44,000 per annum (exclusive of VAT). The fee will be increased in line with RPI on 1 January in each year.</p>
B.41.	Regulatory status of investment manager and custodian	<p>The Investment Manager is authorised and regulated by the Financial Conduct Authority.</p> <p>The Depositary is authorised and regulated by the Financial Conduct Authority.</p>

B.42.	Calculation of NAV	<p>The NAV is calculated quarterly by the Administrator. Calculations are made in accordance with IFRS or as otherwise determined by the Board.</p> <p>Details of each quarterly valuation, and of any suspension in the making of such valuations, are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant quarter and published on the Investment Manager's website.</p>
B.43.	Cross liability	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.44.	No financial statements have been made up	Not applicable. The Company has commenced operations and historical information is included within this document. Please see the key financial information at B.7.
B.45.	Portfolio	As at 31 March 2016, the property portfolio of the Group was valued by the Valuer at £420.3 million and comprised the Scape Properties, The Pad and Water Lane Apartments.
B.46.	NAV	<p>As at 31 March 2016, the unaudited NAV per Share was 135.47 pence.</p> <p>The Articles provide that the Directors are required to propose an ordinary resolution that the Company continues its business as presently constituted (the "Continuation Resolution") (i) at the fifth annual general meeting of the Company in 2018; and (ii) at each third annual general meeting of the Company thereafter. If any Continuation Resolution is not passed, the Directors are required to put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval.</p> <p>The Directors have the discretion, subject to the necessary shareholder authorities, to seek to manage, on an on-going basis, the premium or discount at which the Shares may trade to their NAV through further issues and buy-backs, as appropriate.</p>

Section C – Securities

Element	Disclosure Requirement	Disclosure
C.1.	Type and class of securities	<p>The Company intends to issue up to 65 million Shares at a minimum issue price equal to the prevailing NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions).</p> <p>The ISIN for the Shares (which includes the Placing Shares) is GB00B8460Z43, the SEDOL is B8460Z4 and the ticker is DIGS.</p>
C.2.	Currency	The Shares are denominated in Sterling.
C.3.	Details of share capital	As at the date of this document, 217,709,783 Shares are in issue, all of which are fully paid. The nominal value of the Shares is one pence each.

C.4.	Description of the rights attaching to the securities	<p>The Shares carry the right to receive the profits of the Company available for distribution at such times as the Directors may determine in accordance with the Articles.</p> <p>On a winding-up, the surplus capital and assets of the Company shall be divided amongst the holders of Shares <i>pro rata</i> according to the nominal capital paid up on their holdings of Shares.</p> <p>Holders of Shares have the right to receive notice of, and to attend and vote at, general meetings and class meetings of the Company. Each holder of Shares who is present in person (or, being a corporation, by representative) or by proxy at a general meeting or a class meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of each Share held by him.</p>
C.5.	Restrictions on the free transferability of the securities	Not applicable; there are no restrictions on the free transferability of the Shares.
C.6.	Admission	<p>Applications will be made to the London Stock Exchange for all of the Placing Shares to be admitted to trading on the London Stock Exchange (Specialist Fund Segment). The Placing Shares will be held in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.</p> <p>It is expected that Admission of such Placing Shares will become effective and dealings in such Placing Shares will commence during the period from 29 April 2016 to 28 April 2017.</p>
C.7.	Dividend policy	<p>The Company pays dividends on a quarterly basis with dividends declared in October, January, April and July and paid in December, March, June and September in each year.</p> <p>In the current financial year, the Company has paid two interim dividends of 2.82 pence per Share in aggregate and declared a third interim dividend of 1.41 pence per Share for the period to 31 March 2016.</p> <p>Investors should note that the targeted annualised total return is a target only and not a profit forecast and there can be no assurance that it will be met or that any dividend or capital growth will be achieved.</p>

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>The Company may not meet its investment objective.</p> <p>Any appreciation in the value of Sterling may decrease demand for accommodation by international students which may materially and adversely impact the NAV and earnings of the Company.</p> <p>The Group's performance will depend on general property and investment market conditions.</p> <p>The Group's rental income and property values may be adversely affected by increased supply of student accommodation and teaching facilities, the failure to collect rents or increasing operating costs.</p>

		<p>The Group may not be able to maintain or increase the occupancy rates or rental rates of the student accommodation properties it acquires, which may have a material adverse impact on the Group's revenue performance, margins and asset values.</p> <p>Any change in the laws, regulations and/or government policy affecting the Group may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and meet its investment objective and on the value of the Company and the Shares. Such potential changes in law, regulation and/or government policy include <i>inter alia</i> increased tuition fees, decreased student loans and/or grants and reducing the number of international students granted student visas which may reduce student numbers and in turn, may reduce demand for student accommodation.</p> <p>The Group's success and results are, to some extent, dependent on the strength and reputation of the 'Scape Student Living' brand. Any damage to the 'Scape Student Living' brand could cause a decline in the demand for accommodation and/or the rental rates that can be achieved at the properties owned by the Group. The occurrence of any of these events could have an adverse effect on the Group's revenue, performance, margins and asset values.</p> <p>The net revenue generated by the Group's properties may depend on the financial stability of any HEIs with which the Group has direct contractual relationships.</p> <p>Whilst it is the Board's intention for the Group to acquire additional property assets in the future, there can be no certainty that it will be able to do so.</p> <p>The Group's investments are illiquid and may be difficult or impossible to realise at any particular time which may materially and adversely impact the NAV and the earnings of the Group.</p> <p>The Group may need to finance further investments either by borrowing or by issuing further Shares. There can be no guarantee that the Group will have access to further financing or identify and execute any property acquisitions, which may adversely impact the secondary market liquidity in the Shares and leave investors subject to greater concentration risk than would otherwise be the case.</p> <p>The Group uses borrowings which may have an adverse impact on the NAV or dividends. Borrowings may not be available at the appropriate time or on appropriate terms from time to time. In addition, movements in interest rates may affect the cost of financing.</p> <p>The performance of the Group will depend on the ability and services of the Investment Manager and other service providers.</p> <p>A change in the Group'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.</p> <p>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.</p>
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D.3.	Key information on the key risks that are specific to the Shares	<p>The value of the Shares and any income derived from those shares can fluctuate and may go down as well as up.</p> <p>The Shares may trade at a discount to NAV.</p> <p>It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares.</p>

Section E – Offer

Element	Disclosure Requirement	Disclosure
E.1.	Proceeds and costs of the issue	<p>The net proceeds of the Placing Programme will depend on the number of Placing Shares issued and the relevant Placing Price.</p> <p>By issuing Shares at a premium to NAV per Share intended to cover the costs and expenses of the relevant placing (including, without limitation, any placing commissions), such fees and expenses in relation to the Placing Programme will be indirectly borne by subscribers for those Shares. Accordingly, there will be no dilution to the Company's then prevailing NAV arising from the issuance of Shares under the Placing Programme.</p> <p>The Company will bear the fixed costs incurred in relation to the legal, advisory and regulatory matters arising in connection with the implementation of the Placing Programme, which are estimated to amount to approximately 0.17 per cent. of the Company's prevailing published NAV as at the date of this document.</p>
E.2.a.	Reasons for the issue and use of proceeds	<p>The Company, through its Investment Manager, continues to see high quality opportunities in the student residential accommodation market which it believes are strongly positioned to benefit from the core supply/demand imbalance characteristics which the Company seeks to identify in potential investments. To provide the Company with the operational flexibility to take advantage of such investment opportunities as and when they arise, whilst also minimising the negative impact of excess cash drag on its returns, the Company announced on 7 April 2016 that it was intending to implement the Placing Programme.</p> <p>The net proceeds of the Placing Programme, after providing for the Group's operational expenses, will be used to make investments in accordance with the Company's investment policy, which may include the pipeline assets identified in paragraph 9 of Part 1 of this document.</p>
E.3.	Terms and conditions of the offer	<p>The Placing Programme will open on 29 April 2016 and will close on the Final Closing Date. A maximum of 65 million Placing Shares will be issued pursuant to the Placing Programme. The minimum price at which Shares will be issued pursuant to the Placing Programme will be equal to the prevailing NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions).</p> <p>The allotment and issue of Placing Shares under the Placing Programme is at the discretion of the Directors. There is no minimum or maximum subscription in respect of any Placing.</p>

		<p>The Placing Programme is not being underwritten and, as at the date of this document the actual number of Placing Shares to be issued is not known. The number of Placing Shares available should not be taken as an indication of the number of Placing Shares finally to be issued.</p> <p>Each allotment of Placing Shares pursuant to the Placing Programme is conditional on:</p> <ul style="list-style-type: none"> ● Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment being in place; ● the Placing Price being not less than the prevailing NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions); ● the Company having a placing agreement or equivalent arrangement in place at the time of the issue; ● a valid supplementary prospectus being published by the Company when required; and ● Admission of the Placing Shares issued pursuant to the allotment. <p>In circumstances where these conditions are not fully met, the relevant issue of Placing Shares pursuant to the Placing Programme will not take place.</p>
E.4.	Material interests	Not applicable. No interest is material to the Placing Programme.
E.5.	Name of person selling securities	Not applicable. No person or entity is offering to sell Shares as part of the Placing Programme.
E.6.	Dilution	<p>As at the Latest Practicable Date, there were 217,709,783 Shares in issue. If 65 million Shares (being the maximum number of Shares available under the Placing Programme) were to be issued pursuant to the Placing Programme, the issued share capital following the closing of the Placing Programme would have increased by approximately 29.9 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 23.0 per cent.</p> <p>By way of illustration, an existing Shareholder holding Shares representing 5 per cent. of the Company's issued share capital, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold Shares representing approximately 3.9 per cent. of the Company's issued share capital.</p>
E.7.	Estimated Expenses charged to the investor by the issuer	The minimum issue price will be equal to the prevailing NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions), thereby ensuring that there will be no dilution to the Company's then prevailing NAV arising from the issuance of Shares under the Placing Programme.

RISK FACTORS

Investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company or the Shares, including, in particular, the risks described below. An investment in the Shares is only suitable for institutional investors and professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the merits and 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.

The Directors believe the risks described below are the material risks relating to an investment in the Shares at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Shares. Investors should review this document carefully and in its entirety and consult with their professional advisers before applying for Shares under the Placing Programme.

FCA-authorized firms conducting designated investment business with retail customers under COB Rules are reminded that securities admitted to trading on the Specialist Fund Segment will be securities that may have characteristics such as: (i) variable levels of secondary market liquidity; (ii) sophisticated corporate structures; (iii) highly leveraged structures; and (iv) sophisticated investment propositions with concentrated risks and are therefore intended for institutional, professional and highly knowledgeable investors. The Company and its advisers not subject to the COB Rules are responsible for compliance with equivalent conduct of business or point of sale rules in the jurisdiction in which they are based or in which they are marketing the securities concerned (if applicable).

RISKS RELATING TO THE GROUP, ITS INVESTMENT STRATEGY AND OPERATIONS

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 is to provide Shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with RPI inflation-linked income characteristics. The amount of any capital appreciation will depend upon, amongst other things, the Company successfully pursuing its investment policy and the performance of the Group's assets. There can be no assurance as to the level of any capital appreciation over the long term. 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 Group successfully pursuing the Company's investment policy and the Group's earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as 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.

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

It is expected that a significant proportion of tenants will 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 NAV and earnings of the Company.

The Group's performance depends on general property and investment market conditions

The Group's performance depends to a significant extent on property values in the United Kingdom. An overall downturn in the UK property market and the availability and cost of credit to the UK property sector may have a materially adverse effect upon the value of the properties owned by the Group and ultimately upon the NAV and the ability of the Group to generate revenues.

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

Investors contemplating an investment in the Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Group's property portfolio. No assurance is given, express or implied, that Shareholders will receive back 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 investments made by the Group, changes in the Group's operating expenses, occupancy rates, the degree to which the Group encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

Development Risk

Any development activities of the Group may involve a higher degree of risk than is associated with its operating properties and will require the Group to assess each development opportunity. Inaccurate assessment of a development opportunity could result in a substantial proportion of the development remaining vacant after completion. Such vacancies would adversely affect the level of rental income obtained and the value of the development property which could have a material adverse effect on the Company's profitability and NAV.

Development projects may be subject to delays or disruptions that are outside of the Group's control. The Group may not be able to recover cost overruns or may incur holding costs which could have a material adverse effect on the Company's profitability and NAV.

Changes in market conditions or the regulatory environment during the development period may have a detrimental effect upon the development opportunity and ultimately upon the Company's profitability and NAV.

The Group will rely on the performance of the relevant developer and building contractor in relation to each development and forward-funded project. In the event that a developer and/or building contractor is unable (for example by reason of its insolvency) or unwilling to perform its contractual commitments up to a satisfactory standard, the Group may be required to appoint a replacement developer and/or building contractor. There can be no assurance that such a replacement or replacements could be found at all or on terms that are not less favourable to the Group which could have a material adverse effect on the Company's profitability and NAV.

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

Rental income and property values may be adversely affected by increased supply of student accommodation and teaching facilities, the failure to collect rents because of tenants' or licensees' inability to pay or otherwise, the periodic need to renovate and the costs thereof and increased operating costs. A decrease in rental income and/or on property values may materially and adversely impact the NAV and earnings of the Company.

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 and its ability to service interest on its debts

The value of the Group's properties and, to a significant degree, the Group's turnover, is dependent on the rental rates that can be achieved from the properties that the Group owns. 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 its ability to service interest on its debts in the longer term.

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 by national and local governments and government policy. Any change in the laws, regulations and/or government policy affecting the Group may have a material adverse effect on the ability of the Company 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 and adversely impact occupancy rates and reduce rents.

Furthermore, the Company is subject to and is required to comply with certain regulatory requirements that are applicable to closed-ended investment companies that are admitted to trading on the London Stock Exchange (Specialist Fund Segment). The Company must comply with the London Stock Exchange Admission and Disclosure Standards and the Disclosure and Transparency Rules and so far as the Company is aware, as at the date of this document, the Company complies with such rules and regulations as are relevant. Any failure in future to comply with any future changes to such rules and regulations may result in the Shares being suspended from trading on the London Stock Exchange (Specialist Fund Segment).

The Group may not be able to maintain the occupancy rates of its current portfolio or any other student accommodation properties it acquires, which may have a material adverse impact 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) on its assets 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 adversely affect the Group's revenue performance, margins and asset values.

The Group is exposed to the 'Scape Student Living' brand

The Group's success and results are, to some extent, dependent on the strength and reputation of the 'Scape Student Living' brand. The 'Scape Student Living' brand is vulnerable to adverse market perception as it operates in an industry where integrity, customer trust and confidence are paramount. The Group is exposed to the risk that litigation, employee misconduct, operational failures, press speculation and negative publicity, amongst others, whether or not founded, could damage the 'Scape Student Living' brand. The 'Scape Student Living' brand could also be harmed if any of the Scape Properties or any other student residential property that uses the 'Scape Student Living' brand (whether or not owned by the Group) do not perform as expected (whether or not the expectations are founded) or tenants' and/or licensees' expectations for the Scape Properties or any other student residential property (whether or not owned by the Group) that uses the 'Scape Student Living' brand are not met or change.

Any damage to the 'Scape Student Living' brand could cause a decline in the demand for accommodation and/or the rental rates that can be achieved at the properties owned by the Group. The occurrence of any of these events could have an adverse effect on the Group's revenue, performance, margins and asset values.

Furthermore, the Group's non-exclusive licence to use the 'Scape Student Living' brand in respect of any asset will automatically cease if Scape Student Living ceases to provide asset management services in relation to such asset. In such circumstances, the Group is required to cease using the 'Scape Student Living' brand at the relevant asset at the end of the academic year following that in which it ceases to engage Scape Student Living. In such circumstances, the Group will no longer

have the benefit of the 'Scape Student Living' brand which could have an adverse effect on the Group's revenue, performance, margins and asset values.

The net revenue generated by the Group's properties may depend on the financial stability of any HEIs with which the Group has direct contractual relationships

The net revenue generated from the Group's properties may depend on the financial stability of any HEIs with whom the Group has direct contractual relationships. Clients may default on contract terms, such as rent collection and pre-let agreements, or the advance bookings of student accommodation, having an adverse effect on the Group's revenue, performance, margins and asset values.

Reliance on service providers and other third parties

In the main, the Group relies upon the performance of third party service providers to perform its executive functions. In particular, the Investment Manager, the Asset and Facilities Managers, the Administrator, the Depositary, the Secretary and the Registrar and their respective delegates, if any, will perform services that are integral to the Group's operations and financial performance. 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.

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 Group's performance and returns to Shareholders.

Further, misconduct or misrepresentations by employees of the Group, the Investment Manager, the Asset and Facilities Managers or other third party service providers could cause significant losses to the Group.

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

The past performance of the Group, other investments managed or advised by the Investment Manager or managed by any of the Asset and Facilities Managers cannot be relied upon as an indicator of the future performance of the Group. Investor returns will be dependent on the Company successfully pursuing its investment policy. The success of the Company depends, amongst other things, on the Investment Manager's ability to identify and acquire investments in accordance with the Company's investment policy and the Asset and Facilities Managers' ability to perform adequately under their relevant Asset and Facilities Management Agreement(s). 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.

Borrowings and interest rate hedging

Any amounts that are secured by the Group under a loan facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Group's assets not grow at a rate sufficient to cover the costs of establishing and operating the Group, on a liquidation of the Company, Shareholders may not recover their initial investment.

Prospective investors should be aware that, whilst the use of borrowings should enhance NAV 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 falling. In addition, in the event that the rental income of the Group's property portfolio falls, including as a result of defaults by tenants pursuant to their leases/licences with the Group, the use of borrowings will increase the impact of such falls on the net revenue of the Group and, accordingly, this will have an adverse effect on the Company's ability to pay dividends to Shareholders.

Any increase in UK 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/or a reduction in the value of the Shares. The Group may make use of interest rate hedging contracts, but there is no guarantee that such contracts, will adequately protect the Group from adverse movements in real or nominal interest rates. If such

contracts are terminated before their original term expires the Group could incur significant breakage costs which may have an adverse effect on the ability of the Company to pay dividends to Shareholders.

The Directors intend to secure further borrowing facilities to finance and/or part-finance further acquisitions in accordance with the Company's investment policy. However, there can be no guarantee that any such facilities will be available to the Company on commercially acceptable terms or at all, which would adversely affect the Company's investment returns and may have a material adverse effect on the Group's financial position and results of operations.

As at the Latest Practicable Date, the Group has total debt facilities of approximately £130 million (all of which has been drawn).

The Group is subject to concentration risk

Portfolio

Whilst it is the Board's intention for the Company to acquire additional property assets in the future there can be no certainty that it will be able to do so. Until the acquisition of any such further assets, the Group's performance will be reliant entirely on revenues derived from the Group's current property portfolio comprising the Scape Properties, The Pad and Water Lane Apartments. Any circumstances which materially affect the returns generated by the Group's property portfolio may materially and adversely impact the NAV and earnings of the Company.

Geography

Substantially all of the Company's assets are currently located in and around London. As a result of this concentration the Company may be adversely affected by events which damage or diminish London's attractiveness to students (especially overseas students) or London property values which could materially affect the returns generated by the Group's property portfolio which, in turn, could materially and adversely impact the NAV and earnings of the Company.

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

The Group invests in student residential accommodation and teaching facilities. 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 materially and adversely impact the NAV and the earnings of the Company.

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 which 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 independent third-party valuation agents. Valuations of the Group's investments may not reflect actual sale prices even where any such sales 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.

The Group may be unable to execute further acquisitions

The growth of the Group depends upon the ability of the Investment Manager to identify, select and execute future investments which offer the potential for satisfactory returns. There can be no assurance that the Investment Manager will be successful in sourcing suitable investments or that the Group will make any further investments in property assets. The availability of such future investment opportunities will depend upon a number of factors including, but not limited to, the availability of suitable assets for acquisition within the Company's investment objective and policy, conditions in the UK student accommodation sector and the ability of the Company to access appropriate funding.

There can be no guarantee that the Group will have access to further financing or identify and execute any property acquisitions which may adversely impact the secondary market liquidity in the Shares and leave investors subject to greater concentration risk than would otherwise be the case.

The Group has agreed to acquire the Forward Purchase Asset in accordance with the Forward Purchase Agreement. The acquisition is subject to the satisfaction of conditions including, *inter alia*, practical completion of the building works, receipt of a satisfactory building survey and the building achieving bedroom lettings of 75 per cent. or more. The Company will be required to proceed with the acquisition of the Forward Purchase Asset within 12 months from the date on which all conditions under the Forward Purchase Agreement have been satisfied. The Board do not expect building works for the Forward Purchase Asset to be completed until Q3 2017. There can be no assurance that the conditions will be satisfied.

Further details in relation to the Forward Purchase Agreement are set out at paragraph 6.3 of Part 7 of this document.

Under the Pipeline Agreement, Scape Student Living has undertaken to use its reasonable endeavours to ensure that the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and be branded under the 'Scape Student Living' brand, enter into right of first offer agreements in respect of such developments as soon as is practicable following their practical completion. However, there can be no assurance that Scape Student Living will be able to ensure that the owner or owners of such developments enter into such right of first offer agreements or that the Group will be able to acquire such assets, including by reason of not being able to match a third party's valuation. Further details in relation to the Pipeline Agreement are set out at paragraph 6.8 of Part 7 of this document.

The Group will face competition from other property investors who may have greater financial resources than the Group and a greater ability to borrow funds to acquire properties. Competition in the property market may also lead either to an over-supply of student accommodation through over-development or higher prices for existing properties being driven up through competing bids by potential purchasers.

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 Investment Manager will perform due diligence, on behalf of the Group, 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 the Investment Manager or other 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 materially and adversely impact the NAV and the earnings of the Company.

A due diligence failure may also result in properties that are acquired failing to perform in accordance with projections which may materially and adversely impact the NAV and the earnings of the Company.

The Investment Manager will also perform due diligence, on behalf of the Group, on HEIs prior to entering into any long-term lease or other agreements with such counterparty. To the extent that the Investment Manager or any third party on which it relies to conduct such due diligence, fail to identify risks associated with the relevant HEI (including risks associated with its financial solvency), the Group may risk entering into long term lease or other arrangements which are subsequently not honoured by the counterparty. This may materially and adversely impact the earnings of the Company and its NAV.

The Group's operational activity is dependent on suppliers, contractors and other third parties

The Group's business is dependent upon a number of third parties, including suppliers and contractors. To the extent that these parties are unable or unwilling to perform their contractual commitments up to a satisfactory standard, it could have a material adverse effect on the Group's financial position and results of operations.

In addition, the Group has entered into arrangements with third parties for the provision of maintenance services in respect of its properties. 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 Group may suffer losses in excess of insurance proceeds, if any, or from uninsurable events

The Group's properties may suffer physical damage resulting in losses (including loss of rent) 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 financial position and results of operations.

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 provides 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, financial position or results of operations.

The Group is exposed to risks related to the UK government's decision to hold a referendum on the UK's continued membership of the EU.

The Group faces potential risks associated with the proposed referendum on the UK's continued membership of the EU (to be held on 23 June 2016) and potential uncertainty preceding and following the referendum. If the outcome of the referendum is a vote in favour of the UK leaving the EU, this could have a material adverse effect on the performance of the Company, the NAV, the rating of the Shares, the Company's earnings and the return to Shareholders.

While the Group is monitoring and assessing the potential impacts on its business of a referendum vote in favour of an EU exit, the situation remains uncertain.

RISKS RELATING TO THE SHARES

Shares may trade at a discount to the NAV

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Shares, like shares in all REITs, may fluctuate independently of their relevant underlying NAV and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market conditions and general investor sentiment. The market value of a Share may vary considerably to its NAV.

Shareholders have no right to have their Shares redeemed or repurchased by the Company

The Company has been established as a closed-ended vehicle. Accordingly, there is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

The issue of Shares pursuant to the Placing Programme will dilute existing Shareholders

The issue of Shares pursuant to the Placing Programme will dilute the voting rights of the holders of Shares, or the possibility of the issue of Shares, pursuant to the Placing Programme may cause the market price of existing Shares to decline although the minimum issue price will be equal to the prevailing NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions), and therefore will be accretive to the NAV per Share.

It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares

Although the Shares will be admitted to trading on the London Stock Exchange (Specialist Fund Segment), there can be no assurance as to the levels of secondary market trading in Shares or

the prices at which such Shares may trade. Accordingly, Shareholders should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

The Specialist Fund Segment is a relatively new market and likely liquidity and price volatility levels are relatively unknown. Liquidity experienced on the Specialist Fund Segment to date may not be a suitable indicator for liquidity levels in the future. The Company is not required to appoint a market maker or make a market for Shares traded on the Specialist Fund Segment. There can be no guarantee that a liquid market in the Shares will develop or that the Shares will trade at prices close to their relevant underlying NAV. Accordingly, Shareholders may be unable to realise their investment at the relevant NAV or at all.

While the Directors retain the right to effect the repurchases of Shares in the manner described in this document, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares on the market.

The number of Shares to be issued pursuant to the Placing Programme is not yet known, and there may be a limited number of holders of Shares. Limited numbers and/or holders of such Shares may mean that there is limited liquidity in such Shares which may affect (i) an investor's ability to realise some or all of his investment; (ii) the price at which such investor can effect such realisation; and/or (iii) the price at which the Shares trade in the secondary market.

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 under any other applicable securities laws. Moreover, the Shares are only being offered and sold outside the United States to non-U.S. Persons (as defined in Regulation S under 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 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. Securities Exchange Act of 1934; 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 (see paragraph 4.5 of Part 7 of this document).

RISKS ASSOCIATED WITH THE INVESTMENT MANAGER, THE ASSET AND FACILITIES MANAGERS AND OTHER SERVICE PROVIDERS

The performance of the Group will depend on the ability of the Investment Manager, the Asset and Facilities Managers and other service providers to provide competent, attentive and efficient services to the Group. There can be no assurance that, over time, the Investment Manager, the Asset and Facilities Managers and other service providers will be able to provide such services or that the Group will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The ability of the Company to achieve its investment objective and maintain an operational portfolio of properties is significantly dependent upon the expertise of the Directors and employees of the Group, the partners, directors and employees of the Investment Manager and the Asset and Facilities Managers and the ability of the Group, the Investment Manager and the Asset and Facilities Managers to attract and retain suitable staff. The impact of the departure of a key

individual (or individuals) on the ability of the Investment Manager to achieve the investment objective of the Company or any of the Asset and Facilities Managers to successfully operate and manage the relevant Group assets and facilities cannot be determined and may depend on, amongst other things, the ability of the Group, the Investment Manager and the Asset and Facilities Managers to recruit individuals of similar experience. A failure by the Group, the Investment Manager and/or any of the Asset and Facilities Managers to do so may impact negatively on the performance of the Investment Manager and/or the Asset and Facilities Managers and, therefore, of the Group. The Group is subject to various UK and EU employment and other laws that apply to its employees. Although the Group has no history of labour unrest, there can be no assurance that labour disputes or work stoppages will not occur in the future. Any significant disagreements between the Group and its employees could disrupt the Group's operations and increase its operating costs, which could affect the Group's business, financial condition and results of operations.

If the Investment Management Agreement or any Asset and Facilities Management Agreement is terminated, the Directors would have to find a replacement investment manager or asset and facilities manager, as the case may be, for the Group and there can be no assurance that such a replacement will be found.

The Investment Manager and the Asset and Facilities Managers may allocate some of their resources to activities in which the Group is not engaged, which could have a negative impact on the Company's ability to achieve its investment objective

The Investment Manager and the Asset and Facilities Managers are not required to commit all of their resources to the Group's affairs. Insofar as the Investment Manager and/or the Asset and Facilities Managers devote resources to their responsibilities in relation to other business interests, their ability to devote resources and attention to the Group's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, NAV and Share price.

Potential conflicts of interest

The Investment Manager, the Asset and Facilities Managers and their affiliates may serve as investment manager and asset and facilities managers respectively to other clients and each of the Investment Manager's and the Asset and Facilities Managers' organisational and ownership structure involves a number of relationships. The Investment Manager, the Asset and Facilities Managers, and/or any of their affiliates may have conflicts of interest in allocating their time and activity between the Group and their other clients and in effecting transactions between the Group and such other clients. The Investment Manager, Scape Student Living and/or any of their affiliates may be involved in other financial, investment and professional activities that may on occasion give rise to conflicts of interest with the Group.

Please see paragraph 5 of Part 2 of this document for details on how the Investment Manager and the Asset and Facilities Managers manage these potential conflicts of interest.

RISKS RELATING TO TAXATION AND REGULATION

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 Group cannot guarantee that it 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 ten 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 Company 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 three 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 ten years of joining, HMRC has wide powers to direct how it would 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 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, the Group 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, the yield on the Shares and returns to Shareholders generally. 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.

Base erosion and profit shifting

Base erosion and profit shifting (“BEPS”) refers to the tax planning strategies of multinational corporations that exploit mismatches in national tax rules to artificially shift profits to low or no-tax locations, resulting in little or no overall corporate tax being paid. The Organisation for Economic Co-operation and Development (“OECD”) and the G20 countries are currently attempting to implement a number of measures to address BEPS and published a final report on 5 October 2015 which sets out 15 actions to tackle BEPS. These include measures aimed at preventing treaty abuse, preventing the artificial avoidance of permanent establishment basis, strengthening controlled foreign company rules and neutralising the effects of hybrid mismatch arrangements. In addition, the OECD report includes a sizeable section on potential changes to interest deductibility rules. Implementation of the OECD's BEPS measures, in final form, will be at the discretion of individual countries and the UK Government announced plans to introduce legislation to implement the OECD's recommendations from 1 April 2017 as part of the 2016 Budget. While the Investment Manager does not believe the Company is an intended target of the OECD's BEPS measures, being neither a multinational company nor involved in artificial arrangements, it is currently unclear what the implications will be for the Company or the real estate sector. It is possible that the implementation of the BEPS actions in the UK or other jurisdictions through which the Company invests may have negative implications for the Company, including the potential for a reduction in the tax deductibility of debt interest. There is therefore a risk that the OECD's BEPS measures

could have an adverse effect on the value of the Company's investments and/or the results of its operations.

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

The Group is intending to grow through acquisitions. However, the REIT distribution requirements 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 Group 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 Company would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that it 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 would be limited if the Group were unable to obtain further debt or the Company were unable to 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 distribution opportunities to Substantial Shareholders

The Company may become subject to an additional tax charge if it makes a distribution to, or in respect of, a Substantial Shareholder. A Substantial Shareholder is, broadly, a company which is beneficially entitled to ten per cent. or more of the share capital of the Company (measured by reference to the percentage of the total nominal value of the share capital of the Company) or ten per cent. or more of the distributions paid by the Company or controls at least ten 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. These provisions provide the Directors with powers to identify Substantial Shareholders. 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 these provisions.

The Company has not registered and will not register as an investment company under the U.S. Investment Company Act and the Company's assets could be deemed "plan assets" that are subject to the requirements of ERISA and/or Section 4975 of the U.S. Code

The Company will seek to qualify for an exemption from the definition of "investment company" under the U.S. Investment Company Act and will not register as an investment company in the United States under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which are applicable to the Company or its investors. To avoid being required to register as an investment company under the U.S. Investment Company Act and to avoid violating such act, the Company has implemented restrictions on the ownership and transfer of the Shares, which may materially affect Shareholders' ability to transfer their Shares to U.S. Persons.

The purchase of Shares by an employee benefit plan subject to ERISA, or Section 4975 of the U.S. Code or by any entity whose assets are treated as assets of any such plan, could result in the assets of the Company being considered plan assets for the purposes of ERISA, and/or Section 4975 of the U.S. Code and regulations made thereunder. In such circumstances the Company, the Investment Manager and also the fiduciaries of such an employee benefit plan could be liable for any ERISA violations by the Company or the Investment Manager and for other adverse consequences under ERISA. Each purchaser and transferee of Shares will be deemed to have represented by its purchase or receipt of the Shares, and throughout the period that it holds the Shares, that it is not an employee benefit plan subject to ERISA or Section 4975 of the U.S. Code or an entity whose assets are treated as assets of any such employee benefit plan. The Directors are also empowered by the Articles to require Shareholders, which they consider may because of their shareholding result in the assets of the Company being considered plan assets, to

transfer their Shares in order to reduce this risk materialising. See paragraph 4.5 of Part 7 of this document for further details.

Greater regulation of the financial services industry, which imposes additional restrictions on the Company, may materially affect the Group's business and its ability to achieve its investment objective

Legislation proposing greater regulation of the financial services industry and the financial markets is being actively pursued in the European Union and other jurisdictions.

There can be no assurance that future regulatory action will not result in additional market dislocation. It is impossible to predict the nature, timing and scope of future changes in laws and regulations applicable to the Group. Any such changes in laws and regulations may have a material adverse effect on the ability of the Company to carry out its business, to successfully pursue its investment policy and to realise its profit potential, and may include a requirement of increased transparency as to the identity of investors in the Company. Any such event may materially adversely affect the investment returns of the Company.

IMPORTANT INFORMATION

GENERAL

In assessing an investment in the Placing Shares, investors should rely only on the information in this document. No person has been authorised to give any information or make any representations in relation to the Group other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the Investment Manager, Stifel or any other person. Neither the delivery of this document nor any subscription or purchase of Placing Shares made pursuant to this document shall, under any circumstances, create 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 document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Stifel by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other jurisdiction, Stifel accepts no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Group, the Investment Manager, the Placing Shares or the Placing Programme. Stifel accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Placing Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the offering of Placing Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this document comes are required to inform themselves about and observe any restrictions as to the offer or sale of Placing Shares and the distribution of this document under the laws and regulations of any jurisdiction in connection with any application for Placing Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the UK, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required.

The Placing Shares are being offered and issued outside the United States in reliance on Regulation S. The Shares have not been nor will they be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not registered and will not register under the U.S. Investment Company Act. The Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing Programme or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

PRESENTATION OF INFORMATION

Market, economic and industry data

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this document to “£” or “pence” are to the lawful currency of the UK and all references to “U.S.\$” are to the lawful currency of the United States of America.

Definitions

A list of defined terms used in this document is set out at pages 108 to 114.

Governing law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Investment considerations

The contents of this document are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the subscription for, purchase, holding, transfer or other disposal of Shares;
- any foreign exchange restrictions applicable to the subscription for, purchase, holding, transfer or other disposal of Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the subscription for, purchase, holding, transfer or other disposal of Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Group and an investment in the Placing Shares.

An investment in the Placing Shares should be regarded as a long term investment. There can be no assurance that the Company's investment objective will be achieved.

This document should be read in its entirety before making any investment in the Placing Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, which investors should review.

WEBSITE

The contents of the Investment Manager's website insofar as they relate to the Group do not form part of this document. Investors should base their decision whether or not to invest in the Placing Shares on the contents of this document alone.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Relevant Member State, no Placing Shares have been offered or will be offered pursuant to the Placing Programme to the public in that Relevant Member State prior to the publication of a document in relation to the Placing 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 the Prospectus Directive, except that offers of Placing Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- to any legal entity which is a "qualified investor" as defined in the 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 the Prospectus Directive) in such Relevant Member State; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Placing 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 Placing Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Placing Shares, as

the same may be varied in that Relevant Member State by any measure implementing the 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.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN GUERNSEY

The Placing 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 the Placing 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 Placing Shares may not be made in any other way. The Prospectus Rules 2008 do not apply to the offer of the Placing Shares.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN JERSEY

This document may be circulated in Jersey only by persons who are registered by the Jersey Financial Services Commission in accordance with the FSL for the conduct of financial services business to distribute this document or are either exempt from, or outside the scope of, such registration in accordance with the FSL.

Consent for the circulation of this document 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. This document 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.

FORWARD-LOOKING STATEMENTS

This document 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 Group, 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 document. 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 and the Disclosure and Transparency Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 9 of Part 7 of this document.

VOLUNTARY COMPLIANCE WITH THE LISTING RULES

The Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the UKLA do not apply to the Company. The Company is subject to the admission and disclosure standards of the London Stock Exchange whilst traded on the London Stock Exchange (Specialist Fund Segment). In addition, the Directors have resolved that, as a matter of best practice and good corporate governance, the Company voluntarily complies with the following key provisions of the Listing Rules:

- the Company is not required to comply with the Listing Principles set out at Chapter 7 of the Listing Rules. Nonetheless, the Company complies with these Listing Principles;
- the Company is not required to appoint a listing sponsor under Chapter 8 of the Listing Rules. It has appointed Stifel as broker and financial adviser to guide the Company in understanding and meeting its responsibilities in connection with Admission and the Placing Programme and also for compliance with Chapter 10 of the Listing Rules relating to significant transactions, with which the Company intends to voluntarily comply;
- the Company is not required to comply with the provisions of Chapter 9 of the Listing Rules regarding continuing obligations. The Company complies with the following provisions of Chapter 9 of the Listing Rules: (i) Listing Rule 9.2.7 to Listing Rule 9.2.10 (Compliance with the Model Code); (ii) Listing Rule 9.3 (Continuing obligations: holders); (iii) Listing Rule 9.5 (Transactions); (iv) Listing Rule 9.6.4 to Listing Rule 9.6.21 other than Listing Rule 9.6.19(2) and Listing Rule 9.6.19(3) (Notifications); (v) Listing Rule 9.7A (Preliminary statement of annual results and statement of dividends); and (vi) Listing Rule 9.8 (Annual financial report);
- the Company is not required to comply with the provisions of Chapter 11 of the Listing Rules regarding related party transactions. The Company has adopted a related party policy (in relation to which Stifel, as broker and financial adviser, will guide the Company) which shall apply to any transaction which it may enter into with any Director, the Investment Manager or any of their affiliates which would constitute a “related party transaction” as defined in, and to which would apply, Chapter 11 of the Listing Rules. In accordance with its related party policy, the Company shall not enter into any such related party transaction without first obtaining: (i) the approval of a majority of the Directors who are independent of the Investment Manager; and (ii) a fairness opinion or third-party valuation (as appropriate) in respect of such related party transaction from an appropriately qualified independent adviser. This policy may only be modified with Shareholder approval;
- the Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company of its shares. Nonetheless, the Company has adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2, as more particularly described in paragraph 15 of Part 1 of this document;
- the Company is not required to comply with the provisions of Chapter 13 of the Listing Rules regarding contents of circulars. The Company however complies with the following provisions of Chapter 13 of the Listing Rules: (i) Listing Rule 13.3 (Contents of all circulars); (ii) Listing Rule 13.4 (Class 1 circulars); (iii) Listing Rule 13.5 (Financial information in Class 1 Circulars); (iv) Listing Rule 13.7 (Circulars about purchase of own equity shares); and (v) Listing Rule 13.8 (Other circulars); and
- the Company is not required to comply with the provisions of Chapter 15 of the Listing Rules (Closed-Ended Investment Funds: Premium listing). Nonetheless, the Company complies with the following provisions of Chapter 15 of the Listing Rules: (i) Listing Rule 15.4.2 to Listing Rule 15.4.11 (Continuing obligations); (ii) Listing Rule 15.5 (Transactions); and (iii) Listing Rule 15.6 (Notifications and periodic financial information).

The Company is not required to comply with the Model Code for directors’ dealings contained in Chapter 9 of the Listing Rules (the “**Model Code**”). However, the Company has adopted a voluntary share dealing code for the Directors pursuant to which the Directors comply with the Model Code. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors. On 3 July 2016, the EU Market Abuse Regulation (594/2014) (“**MAR**”) will come into force. From this date, the FCA proposes to introduce new rules requiring companies listed on the premium listing segment of the Official List of the UKLA to have effective systems and controls regarding dealing clearance procedures.

The Company will adopt a new share dealing code in compliance with MAR and the FCA's new Listing Rules with effect from 3 July 2016 and, to the extent that the Directors have resolved that the Company will voluntarily comply with a provision of the Listing Rules and such Listing Rule is amended by the FCA in connection with the implementation of MAR or otherwise, it is the Directors' current intention that the Company will also voluntarily comply with any such amendment. The Specialist Fund Segment is an EU regulated market.

It should be noted that the UKLA does not have the authority to monitor the Company's voluntary compliance with the Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the UKLA nor will it impose sanctions in respect of any failure of such compliance by the Company.

FCA-authorized firms conducting designated investment business with retail customers under COB Rules are reminded that securities admitted to trading on the Specialist Fund Segment will be securities that may have characteristics such as: (i) variable levels of secondary market liquidity; (ii) sophisticated corporate structures; (iii) highly leveraged structures; and (iv) sophisticated investment propositions with concentrated risks and are therefore intended for institutional, professional and highly knowledgeable investors. The Company and its advisers not subject to the COB Rules are responsible for compliance with equivalent conduct of business or point of sale rules in the jurisdiction in which they are based or in which they are marketing the securities concerned (if applicable).

EXPECTED TIMETABLE

Publication of Prospectus	29 April 2016
Placing Programme opens	29 April 2016
Publication of Placing Price in respect of each Placing	As soon as practicable following the closing of each Placing
Admission and crediting of CREST accounts in respect of each Placing	As soon as practicable following the closing of each Placing
Share certificates in respect of Placing Shares dispatched (if applicable)	Approximately one week following the Admission of any Placing Shares
Last date for Placing Shares to be issued pursuant to the Placing Programme	28 April 2017

* The dates and times specified are subject to change. References to times are London times unless otherwise stated.

PLACING PROGRAMME STATISTICS

Maximum size of the Placing Programme	65 million Placing Shares
Minimum Placing Price	NAV per Share plus a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions)

DEALING CODES

The dealing codes for the Shares and the Placing Shares are as follows:

ISIN	GB00B8460Z43
SEDOL	B8460Z4
TICKER	DIGS

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	Robert Henry Haldane Peto (Chairman) Robert Malcolm Naish Peter William Dunscombe Marlene Wood
	all of the registered office below:
Registered Office	51 New North Road Exeter EX4 4EP Tel: 01392 477500
Investment Manager and the AIFM	Gravis Capital Partners LLP 53-54 Grosvenor Street London W1K 3HU Tel: 020 7518 1490
Financial Adviser and Placing Agent	Stifel Nicolaus Europe Limited 4th Floor, 150 Cheapside London EC2V 6ET
Solicitors to the Company	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Solicitors to the Financial Adviser and Placing Agent	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Secretary	Capita Company Secretarial Services Limited Beaufort House 51 New North Road Exeter EX4 4EP
Administrator	Capita Sinclair Henderson Limited Beaufort House 51 New North Road Exeter EX4 4EP
Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Depository	Langham Hall UK Depository LLP 5 Old Bailey London EC4M 7BA

Auditor and Reporting Accountant	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY
Valuer	Knight Frank LLP 55 Baker Street London W1U 8AN
Principal Banker	Pricoa Mortgage Capital* 751 Broad Street, Newark, New York, Jersey 07102, USA

*Pricoa Mortgage Capital is a trading name of The Prudential Insurance Company of America, a company incorporated in New Jersey, USA

PART 1

INFORMATION ON THE GROUP

1 INTRODUCTION

The Company is a closed-ended investment company incorporated in England and Wales on 26 February 2013 which carries on business as the principal company of a REIT. Since the Company's admission to the London Stock Exchange (Specialist Fund Segment) on 20 May 2013 to the Latest Practicable Date, the Share price total return (including dividend income reinvested) was 55.2 per cent. As at 31 March 2016, the value of the Group's property portfolio was £420.3 million and the unaudited NAV per Share was 135.47 pence. As at the Latest Practicable Date, the market capitalisation of the Company was £297.7 million.

The Group employs 83 persons to provide asset and facilities management services in relation to the Scape Properties.

The Company's investment manager is Gravis Capital Partners LLP who acts as the Company's AIFM for the purposes of AIFMD. As at 31 March 2016, the Investment Manager had total assets under management with a principal value of c.£1.25 billion, including three London-listed closed-ended investment companies traded on the London Stock Exchange and which, as at the Latest Practicable Date, all traded at a premium to their respective net asset valuations.

2 OVERVIEW OF THE PLACING PROGRAMME

The Company, through its Investment Manager, continues to see high quality opportunities in the student residential accommodation market which it believes are strongly positioned to benefit from the core supply/demand imbalance characteristics which the Company seeks to identify in potential investments. To provide the Company with the operational flexibility to take advantage of such investment opportunities as and when they arise, whilst also minimising the negative impact of excess cash drag on its returns, the Company announced on 7 April 2016 that it was intending to implement the Placing Programme.

The Company intends, pursuant to the Placing Programme, to issue up to 65 million Placing Shares, in order to take advantage of attractive investment opportunities as and when they arise. In accordance with the authorities granted by Shareholders at a general meeting of the Company held on 27 April 2016 and which expire on 6 May 2017, the Placing Shares will be issued on a non-pre-emptive basis. The net proceeds of the Placing Programme, after providing for the Group's operational expenses, will be used to make investments in accordance with the Company's investment policy, which may include the pipeline assets identified in paragraph 9 of this Part 1 of this document.

Further information in relation to the Placing Programme is set out in Part 3 of this document.

3 INVESTMENT OBJECTIVE

The Company's investment objective is to provide Shareholders with attractive total returns in the longer term through the potential for modest capital appreciation and regular, sustainable, long-term dividends with RPI inflation-linked income characteristics.

4 INVESTMENT POLICY

The Company intends to meet its investment objective through owning, leasing and licensing student residential accommodation and teaching facilities to a diversified portfolio of direct let tenants and HEIs. The Company will mostly invest in modern, purpose built, private student residential accommodation and teaching facilities located primarily in and around London where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation. The Company may also invest in development and forward-funded projects which are consistent with the objective of providing Shareholders with regular, sustainable dividends and have received planning permission for student accommodation, subject to the Board being satisfied as to the reputation, track record and financial strength of the relevant developer and building contractor.

Rental income will predominantly derive from a mix of contractual arrangements including direct leases and/or licences to students ("**direct let agreements**"), leases and/or licences to students guaranteed by HEIs and/or leases and/or licences directly to HEIs. The Company may enter into

soft nominations agreements (*pari passu* marketing arrangements with HEIs to place their students in private accommodation) or hard nominations agreements (longer term marketing arrangements with HEIs of between two and 30 years in duration). Where the Company invests in properties which contain commercial or retail space it may derive further income through leases of such space. Where the Company invests in development and forward-funded projects, development costs will typically be paid in stages through construction, with a bullet payment at completion.

The Company intends to focus primarily on accommodation and teaching facilities for students studying at Russell Group universities and other leading academic institutions, Regional Universities with satellite teaching facilities in and around London and at specialist colleges.

The Company may invest directly or through holdings in special purpose vehicles and its assets may be held through limited partnerships, trusts or other vehicles with third party co-investors.

Borrowing and gearing policy

The Company may seek to use gearing to enhance returns over the long-term. The level of gearing will be governed by careful consideration of the cost of borrowing and the Company may seek to use hedging or otherwise seek to mitigate the risk of interest rate increases. Gearing, represented by borrowings as a percentage of Gross Assets, will not exceed 55 per cent. at the time of investment. It is the Directors' current intention to target gearing of less than 30 per cent. of Gross Assets in the long term and to comply with the REIT condition relating to the ratio between the Group's 'property profits' and 'property finance costs'.

Use of derivatives

The Company may invest through derivatives for efficient portfolio management. In particular, the Company may engage in interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company's efficient portfolio management.

Investment Restrictions

The Company invests and manages its assets with the objective of spreading risk through the following restrictions:

- the Company will derive its rental income from a portfolio of not less than 500 studios;
- 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 (over 60 years remaining at the time of acquisition) properties or the equivalent;
- the Company will not (i) invest more than 20 per cent. of its Gross Assets in undeveloped land; and (ii) commit more than 15 per cent. of its Gross Assets to forward-funded projects in respect of such undeveloped land, such commitment to be determined on the basis of the net construction funding requirements (and associated advisory costs) of such projects at the time of commitment up to their completion, in both cases as measured at the time of investment;
- the Company will not invest in completed assets which are not income generative at, or shortly following, the time of acquisition; and
- the Company will not invest in closed-ended investment companies.

The Directors currently intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as the principal company of a REIT for the purposes of Part 12 of the CTA (and the regulations made thereunder).

In the event of a breach of the investment guidelines and restrictions set out above, the Investment Manager shall inform the Directors upon becoming aware of the same and, if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service.

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

5 DIVIDEND POLICY AND TARGET RETURNS

The Company pays dividends on a quarterly basis with dividends declared in October, January, April and July and paid in December, March, June and September in each year.

In the current financial year, the Company has paid two interim dividends of 2.82 pence per Share in aggregate and declared a third interim dividend of 1.41 pence per Share for the period to 31 March 2016. This equates to an annualised dividend payment of 5.63 pence per Share, reflecting a dividend yield of 4.1 per cent. on the price per Share as at the Latest Practicable Date.

The Company's annualised share price total return (with dividend income reinvested) in the period from IPO Admission to the Latest Practicable Date was 16.1 per cent. which exceeds the annualised target return of 8.0 – 10.0 per cent.

The UK REIT rules require the Group to meet a minimum distribution test for each accounting period that it is a REIT, or otherwise suffer a tax charge. 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.

Investors should note that the targeted annualised total return is a target only and not a profit forecast and there can be no assurance that it will be met or that any dividend or capital growth will be achieved.

6 GROUP BORROWINGS

As at the Latest Practicable Date, the Group's outstanding debt under the Pricoa Debt Facility was £130 million and is repayable in September 2024. As at that date, its average blended cost of borrowing was 3.07 per cent. and the gearing of the Group was approximately 31 per cent. of Gross Assets.

7 THE PORTFOLIO

As at 31 March 2016, the property portfolio of the Group was valued by the Valuer at £420.3 million and comprised, *inter alia*, c.2,000 modern studios and beds across six assets, being the Scape Properties, The Pad and Water Lane Apartments. The Group's property portfolio is fully occupied for the 2015/16 academic year.

The valuation of the Group's property portfolio as at that date is set out in the Valuation Report in Part 5 of this document.

As at 30 June 2015 the Group had total property assets of £177.2 million. The equivalent figure, taken from the Valuation Report contained in Part V of this document, is £420.3 million. The increase of £243.1 million principally consists of an increase of £219.4 million from acquisitions of new property since 30 June 2015 and an increase in value of the Group's property assets, of £23.7 million, as detailed in the Valuation Report.

Details of each property in the portfolio as at the Latest Practicable Date are set out below.

Scape East

Scape East was completed in June 2012 under the 'Scape Student Living' brand, which seeks to provide affordable and aspirational hotel-style student accommodation in private purpose built, high specification buildings, and is located in Mile End, directly opposite Queen Mary University of London ("QMUL"). It has 588 studios, approximately 20,000 square feet of teaching facilities and approximately 2,500 square feet of retail units. QMUL is a Russell Group HEI and one of London's leading universities with approximately 21,000 students.

Scape East is fully occupied for the 2015/16 academic year on 51 week lettings with year-on-year rental growth of 3.7 per cent.

For the 2015/2016 academic year, 378 studios were on short-term lease and/or licence agreements of 51 weeks, representing approximately 60 per cent. of total revenues that will be generated by Scape East of £7.9 million.

The remaining 210 studios, representing approximately 32 per cent. of the total revenues that will be generated for the 2015/16 academic year, were let to students pursuant to a hard nominations agreement expiring on 4 September 2025 between the Company and a special purpose vehicle controlled by the founding partner of INTO (see below) pursuant to which it guarantees and underwrites rental income on those studios and accordingly markets those studios to achieve full occupancy (the "INTO Nominations Agreement").

Further rental income is generated through a 30 year FRI lease with annual RPI uplifts of teaching facilities to another special purpose vehicle also controlled by the founding partner of INTO which will generate approximately 6 per cent. of total revenues for Scape East for the 2015/16 academic

year. INTO is a global HEI which, together with universities in the UK, the U.S. and China, has created a network of university-based study and teaching centres which cater specifically for the specialist needs of international students to bring international students and UK universities together to deliver educational services to international students. The Directors, as advised by the Investment Manager, believe that the Group's relationship with INTO (through the Investment Manager and Scape Student Living) enhances the marketability of the Group's assets particularly through enhanced access to non-EU students located in Asia.

The INTO Nominations Agreement was amended by the parties on 23 April 2015. Pursuant to the revised terms, the duration of the INTO Nominations Agreement was extended to the end of the 2024/2025 academic year and for the 2015/2016 academic year 210 studios and each academic year thereafter for the term of the agreement at least 210 studios will be let to students on the basis set out above.

Scape Shoreditch

Scape Shoreditch was completed for the 2015/16 academic year under the 'Scape Student Living' brand and is located in a prime London location in Shoreditch, within a five minute walk of Old Street underground station and within a 15 minute walk to the City University (c.18,000 students) and CASS Business School. For the 2015/2016 academic year it will generate total revenues of £8.2 million. The building comprises 541 studios in addition to c.10,000 square feet of communal areas including gym, dance studio, study lounge, games room, cinema, communal kitchen, sun terrace and BBQ terrace. Scape Shoreditch is fully occupied for the 2015/16 academic year on 51 week lettings.

The building also houses c.50,000 square feet of commercial accommodation over the ground and first floor of the property, the majority of which is let to Corsham Tenant Limited (with a guarantee from its US parent company WeWork Companies Inc.) on a 15 year FRI lease. There is a further small office area which is let to Scape Student Living for 15 years with no break at a peppercorn rent.

Scape Greenwich

Scape Greenwich was completed in December 2013 under the 'Scape Student Living' brand and is a private student residence comprising 280 studios and beds and approximately 10,000 square feet of communal facilities, kitchens, study areas and break out rooms located on the Greenwich peninsula in a prime London student residential location within 30 minutes of c.75 per cent. of London's HEIs and in close proximity to Ravensbourne College (c.2,000 students), a leading specialist digital media HEI, and the University of Greenwich (c.21,000 students).

For the 2015/2016 academic year, 180 studios were on short-term lease and/or licence agreements of 51 weeks, representing approximately 70 per cent. of total revenues that will be generated by Scape Greenwich of £2.2 million.

The remaining 100 studios, representing 30 per cent. of the total revenues that will be generated for the 2015/16 academic year, were let to students pursuant to a fifteen year RPI-linked hard nominations agreement between Leopard Guernsey Greenwich 2 Limited (one of the Subsidiaries of the Company) and Ravensbourne College pursuant to which it guarantees and underwrites RPI-linked rental income on those studios and accordingly markets those studios to achieve full occupancy.

Ravensbourne College is an accredited UK HEI and one of the UK's leading specialist colleges in digital media and design. Ravensbourne College was established over 50 years ago and offers foundation, undergraduate and postgraduate courses from its purpose built campus on the Greenwich peninsula to domestic and international students.

Scape Surrey

Scape Surrey was completed for the 2015/16 academic year under the 'Scape Student Living' brand and is located in Guildford within 100 metres of the south gate to The University of Surrey, close proximity to the University of Law and the Academy of Contemporary Music and five minutes to Guildford train station and town centre. The building comprises 141 bedrooms (c.40 per cent. en-suite bedrooms and c.60 per cent. studios) and c.2,000 square feet of communal space including games room, private study area and cinema room. The University of Surrey is ranked 11th in the Times Good University Guide 2015, and has a high percentage of postgraduates and most significantly international students, at 34.8 per cent. There are currently c.12,000 full time

students in Guildford of which 6,893 (57.4 per cent.) are unable to access purpose built accommodation.

The University of Law has c.5,000 students in attendance and the Academy of Contemporary Music has c.1,200 students. Neither of these HEIs has any purpose built student accommodation and both are therefore currently reliant on the Guildford residential market.

Scape Surrey is fully occupied for the 2015/16 academic year on 51 week lettings generating total revenues of £1.6 million for the 2015/16 academic year.

The Pad

The Pad is a private student residence comprising two buildings completed in summer 2013 and summer 2015 respectively, and together located adjacent to Royal Holloway, University of London in Surrey. The Pad 1 and the Pad 2 together comprise 220 studios and beds with associated communal areas, study spaces and lounge facilities.

Royal Holloway is a Top 30 university in the Times Higher Education World University Rankings category of 'International Outlook', recognising it as a global university, and is placed within the top 1 per cent. of all higher education institutions in the world by The World List of Universities and Other Institutions of Higher Education. Royal Holloway is home to c.9,300 students from over 130 countries (c.22 per cent. from outside the European Union).

The Pad is fully occupied for the 2015/16 academic year on 51 week lettings generating total revenues of £2.5 million for the 2015/16 academic year.

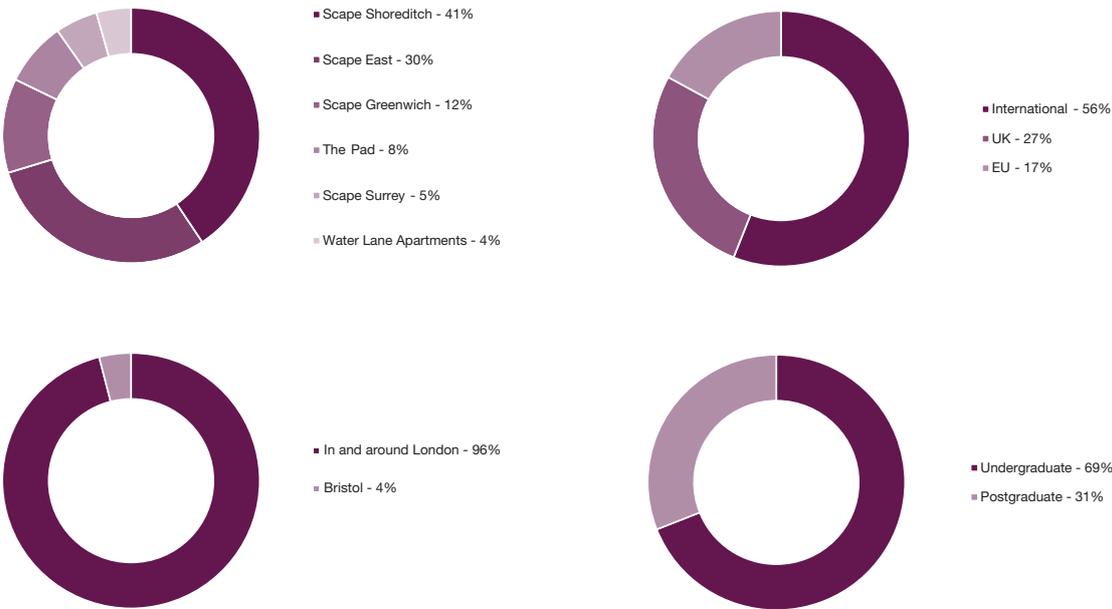
From September 2016, Scape Student Living will take over as the asset and facilities manager in respect of The Pad.

Water Lane Apartments

Water Lane Apartments is a private student residence located in a prime city centre location in Bristol and is within walking distance of the main line railway station, city centre shopping and Bristol University. The city of Bristol serves c.49,000 students across both Bristol University and the University of the West of England. The building comprises 153 studios and associated communal areas including a gym, common and study rooms, and a cinema.

Water Lane Apartments is fully occupied for the 2015/16 academic year on 51 week lettings generating total revenues of £1.3 million for the 2015/16 academic year.

The charts below show the Group's portfolio by value, student mix and location.



8 MARKET OUTLOOK

The UK student accommodation investment market experienced a record year in 2015. Circa £5 billion was transacted over the course of the year, which constituted over one quarter of the total privately owned UK purpose built student accommodation stock. These assets were traded to a broad range of investors, many of which the Directors believe are expected to hold their assets long term.

Investment into the sector is forecast to continue through 2016, but at a lower volume as fewer portfolio deals are envisaged. The removal of the student cap for the 2015/16 academic year has contributed to increasing further the supply/demand imbalance in the sector. UCAS undergraduate acceptances increased 3 per cent. year on year to a record c.532,000, with 14 per cent. of students coming from overseas (6 per cent. from the EU and 8 per cent. outside of the EU). Whilst the implications of the European referendum for the Company are currently difficult to determine, the UK higher education sector remains a significant contributor to the UK's economy. Total income across the sector in 2013/14 was £30.7 billion and total expenditure was £29.4 billion. Students have become increasingly globally mobile with, according to the OECD, over 4.5 million students studying abroad in 2012, up from 2 million in 2000, with the UK being the second largest destination of international students. This figure is forecast to reach 8 million by 2025.

There continues to be an undersupply of modern, purpose built student residential accommodation in and around London and other key markets across the UK. On the supply side, the Directors (as advised by the Investment Manager) do not expect to see substantial volumes of new accommodation arising in the Company's core markets in the near term.

The Company, through its Investment Manager, continues to see high quality opportunities in the student residential accommodation market which it believes are strongly positioned to benefit from the core supply/demand imbalance characteristics which the Company seeks to identify in potential investments. The Directors, as advised by the Investment Manager, believe that investor interest in the student accommodation sector will remain strong as a result of its defensive income qualities as well as the potential for continued income growth in those markets which demonstrate solid supply/demand imbalance characteristics, including London.

9 PIPELINE

The Investment Manager is currently conducting due diligence on a number of assets, including those referenced below, totalling c.1,700 beds. The Investment Manager believes these assets may be suitable for the Company's portfolio and are in locations, including London, which it believes will benefit from attractive and sustainable rental growth underpinned by supportive supply/demand characteristics.

The Company is in advanced negotiations with the vendor of a modern student residential accommodation asset comprising 530 modern studios and beds located in a city centre location in close proximity to a globally recognised UK university with high numbers of international students. The asset benefits from a long-term nominations agreement with the university which guarantees underlying rental income.

In addition, the Company is in negotiations with the vendor of a forward funded project which will provide a further 580 studios and beds in London due for completion for the 2017/18 academic year. Should the Directors decide to proceed with the acquisition of this asset, it is currently anticipated such acquisition will become available in the next few months.

On 14 April 2016 the Company entered into a conditional agreement to acquire the Forward Purchase Asset under the terms of the Forward Purchase Agreement. The Forward Purchase Asset is a high specification, purpose-built, private student accommodation residence adjacent to Royal Holloway, University of London.

The property is expected to be completed for the 2017/18 academic year providing approximately 170 beds. The Forward Purchase Asset is in the same locality as The Pad. Further information about the location of The Pad is set out on page 40 above.

The Forward Purchase Agreement is conditional, *inter alia*, on the fulfilment of a number of conditions including practical completion of the building works, expected to be completed for the 2017/18 academic year, receipt of satisfactory building survey and the building achieving bedroom lettings of 75 per cent. or more. In the event that the conditions of the Forward Purchase Agreement are not met, the Group shall be under no obligation to proceed with the acquisition of

the Forward Purchase Asset. As at the date of this document, these conditions have not been met. In the event that the conditions of the Forward Purchase Agreement are met, the Group will be required to proceed with the acquisition of the Forward Purchase Asset within 12 months of the date on which all such conditions have been met. The Board does not currently envisage that the conditions will be satisfied, if they are satisfied, prior to September 2017.

Under the terms of the Pipeline Agreement, Scape Student Living has undertaken to use its reasonable endeavours to ensure that the owner or owners of the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and branded under the 'Scape Student Living' brand enter into right of first offer agreements in respect of such assets as soon as practicable following their practical completion. Subject to the relevant owner or owners entering into a right of first offer agreement and subject to completion of satisfactory due diligence and obtaining an independent third party valuation in accordance with the Company's valuation policy (see paragraph 12 of this Part 1 below), funding, agreement on price and the Investment Manager's recommendation, the Group will seek to acquire those developments that are consistent with the investment objective and investment policy of the Company. Further details of the Forward Purchase Agreement and the Pipeline Agreement are set out at paragraphs 6.3 and 6.8 of Part 7 of this document.

10 COMPETITIVE ADVANTAGES

The Directors believe that the Company has a number of competitive advantages including:

- *demonstrable total return characteristics*: through a combination of increasing property valuations and above-RPI rental income growth from its portfolio, the Company has delivered capital appreciation and growing dividends for its Shareholders, as evidenced by annualised share price total returns (with dividend income reinvested) in the period from IPO Admission to the Latest Practicable Date of 16.1 per cent.;
- *London focus*: demand for private student accommodation is increasing while supply remains constrained. Furthermore, in 2015 London had the largest number of international students of any city in the world. 56 per cent. of the students in the Company's portfolio assets are international, with 96 per cent. of the portfolio by value in and around London;
- *access to investment opportunities*: the Investment Manager has access to investment opportunities through established industry contacts and extensive knowledge of the sector and the Company may benefit from the Forward Purchase Agreement and the Pipeline Agreement in relation to the potential acquisition of further student residential properties;
- *extensive expertise*: the Group has extensive expertise in the construction, design, operation and financing of student residential and educational properties through its relationships with Scape Student Living and the Investment Manager and its relationships with the principals of Grosvenor House Group Limited and Event Investments Limited who provide significant expertise in site finding, land assembly and planning and student residential development and design. Grosvenor House Group Limited has delivered approximately £600 million of UK PFI projects, primarily in the student accommodation and healthcare sectors, over the last 15 years;
- *development expertise*: Scape Student Living and its senior management team have over 30 years' experience of locating and identifying student residential and educational property sites and student residential developments globally, including in and around London;
- *brand power*: the Directors believe that the Group benefits from the 'Scape Student Living' brand which is a well-known student accommodation brand with established links to all of London's HEIs and with a growing presence and awareness throughout Asia and the Middle East; and
- *access to financing*: the Investment Manager and its partners have a track record in securing development funding for numerous projects including the Scape Properties.

11 INVESTMENT PROCESS

The investment process undertaken by the Investment Manager is broadly as follows:

11.1 Sourcing investments

The partners of the Investment Manager have a long background in advising on transactions involving student accommodation and educational assets and have established close relationships

with many of the key participants in the UK student residential market, including Scape Student Living, Event Investments Limited and the principals of Grosvenor House Group Limited.

11.2 Review and approval

The Investment Manager performs an initial review of all investment opportunities which take into account the following considerations:

- *location*: focus on assets which benefit from supply/demand imbalances in the purpose built student accommodation (“**PBSA**”) market within close proximity of an HEI and/or major transport hub. Additional consideration given to the suitability of the property to the characteristics of the local student market;
- *security of rental income*: strong rental protection and growth characteristics driven by student numbers, supply/demand characteristics and/or nominations agreements;
- *inflation linkage*: assets are sought with sufficient inflation linkage potential to provide inflation protection and offer income growth prospects;
- *modern build*: focus is on modern properties typically with interior designed finishes and hotel style communal facilities and services;
- *financing*: gearing levels which must be consistent with the Company’s policy on borrowings and maturity profile of gearing;
- *fit within existing portfolio*: any portfolio synergies and impact on dividend yield and long term total return target; and
- *overall market conditions*: the outlook for the student residential sector taking into account wider market conditions and sentiment in the sector.

Where the Group enters into hard nominations agreements or long term leases and/or licences with HEI counterparties, the Investment Manager conducts financial due diligence on such counterparties to seek to ensure that they are competent and financially stable. Where appropriate, the Investment Manager may complement its analysis through the use of professional third party advisers.

The Investment Manager prepares a transaction proposal which includes an outline term sheet and business plan for the proposed acquisition including details of any potential conflicts of interest. This transaction proposal is submitted to the Directors for approval. The Company is not required to comply with the provisions of Chapter 11 of the Listing Rules regarding related party transactions. Nonetheless, the Company has adopted a related party policy (in relation to which Stifel, as broker and financial adviser, will guide the Company) which applies to any transaction which it may enter into with any Director, the Investment Manager or any of their affiliates which would constitute a “related party transaction” as defined in, and to which would apply, Chapter 11 of the Listing Rules.

Based on the transaction proposal, the Directors determine whether detailed financial, legal and technical due diligence should be carried out by the Investment Manager.

11.3 Investment monitoring

The Investment Manager continually monitors the progress of the Group’s investments. This includes regular site visits and the Asset and Facilities Managers reporting to the Investment Manager on a property-by-property basis. The Investment Manager updates the Directors on the progress of the Group’s investments on a quarterly basis with additional formal contact being made where significant events have occurred which may impact the Group’s income, expenditure or asset value.

11.4 Holding and exit strategy

The Company’s investment holding period and the exit strategy depends on the underlying properties, current and projected occupancy levels, transaction structure, exit opportunities and size of the Company’s investment. While the Directors intend to hold the Company’s investments on a long term basis (typically greater than five years), the Company may dispose of investments outside this timeframe should an appropriate opportunity arise where, in the Investment Manager’s opinion (with the approval of the Directors), the value that could be realised from such disposal would represent a satisfactory return on the initial investment and/or otherwise enhance the value of the Company, taken as a whole.

12 VALUATION

The Directors use the independent Valuer, or another professional independent valuer of equivalent standing, as property valuer to the Group. Full valuations of the Group's properties are conducted annually as at 30 September. Interim desktop valuations are also performed on a quarterly basis. The valuations of the Group's properties are at fair value as determined by the independent Valuer on the basis of market value in accordance with the internationally accepted RICS Appraisal Standards. The Valuer has produced a valuation report in relation to the Group's current property portfolio valuing such portfolio as at 31 March 2016 which is set out at Part 5 of this document.

Details of each quarterly valuation, and of any suspension in the making of such valuations, are announced by the Company on a Regulatory Information Service approved by the FCA as soon as practicable after the end of the relevant quarter.

As at 31 March 2016, the unaudited NAV per Share was 135.47 pence.

13 CALCULATION OF NAV

The NAV (and NAV per Share) is calculated quarterly by the Administrator. Calculations are made in accordance with IFRS or as otherwise determined by the Board.

Details of each quarterly valuation, and of any suspension in the making of such valuations, are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant quarter. The calculation of the NAV will only be suspended in circumstances where the underlying data necessary to value the investments of the Group cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations are announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

14 MEETINGS, REPORTS AND ACCOUNTS

The audited accounts of the Company are prepared in Sterling under IFRS. The Company's annual report and accounts are prepared up to June each year. Copies of the report and accounts are sent to Shareholders by the end of October each year. The Company also publishes an unaudited half-yearly report covering the six months to December each year.

The Company intends to hold its next annual general meeting during October 2016.

15 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 NAV through further issues and buy-backs, as appropriate.

15.1 Discount Control

Continuation resolutions

The Articles provide that the Directors are required to propose an ordinary resolution that the Company continues its business as presently constituted (the "**Continuation Resolution**") (i) at the fifth annual general meeting of the Company in 2018; and (ii) at each third annual general meeting of the Company thereafter.

If any Continuation Resolution is not passed, the Directors are required to put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval.

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.

A special resolution has been passed granting the Directors authority to repurchase up to 16,475,573 Shares during the period expiring on the conclusion of the earlier of the Company's next annual general meeting in 2016 and 31 December 2016. Renewal of this buy-back authority will be sought at each annual general meeting of the Company.

The Directors will have regard to the Company'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 NAV 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 and the Disclosure and Transparency Rules. Under the current 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 pence in respect of the Shares. The Company is not required to comply with the provisions of the Listing Rules regarding market repurchases by the Company of its shares. Nonetheless, the Company voluntarily complies with the provisions set out above.

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.

15.2 Premium Management

The Directors have authority to issue up to 65 million Shares on a non-pre-emptive basis pursuant to the Placing Programme. Such authority will expire on 6 May 2017.

The Directors also have authority to issue up to 210,189,573 Shares on a pre-emptive basis. Such authority will expire at the conclusion of, and renewal of such authority will be sought at, the third annual general meeting of the Company.

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.

15.3 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 NAV per Share (plus costs of the relevant sale). This should result in a positive overall effect on Shareholders if Shares are bought back at a discount and then sold at a price at or above the NAV per Share (plus costs of the relevant sale).

16 CAPITAL STRUCTURE

The Company's capital structure consists of Shares. The rights attaching to the Shares to be issued pursuant to the Placing Programme are set out in the Articles and summarised below.

The Shares carry the right to receive the profits of the Company available for distribution at such times as the Directors may determine in accordance with the Articles.

On a winding-up, the surplus capital and assets of the Company shall be divided amongst the holders of Shares *pro rata* according to the nominal capital paid up on their holdings of Shares.

Holders of Shares have the right to receive notice of, and to attend and vote at, general meetings and class meetings of the Company. Each holder of Shares who is present in person (or, being a corporation, by representative) or by proxy at a general meeting or a class meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of each Share held by him.

17 REIT STATUS AND TAXATION

Potential investors are referred to Part 6 of this document for details of the REIT regime and taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

18 RISK FACTORS

The Company's performance is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled "Risk Factors" on pages 16 to 27.

PART 2

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1 DIRECTORS

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Investment Manager and the Asset and Facilities Managers. All of the Directors are non-executive and are independent of the Investment Manager and the Asset and Facilities Managers.

The Asset and Facilities Managers are responsible for the day-to-day management of the Group's property portfolio.

The Directors meet at least four times per annum. The audit committee of the Company also meets at least four times per annum.

The Directors are as follows:

Robert Henry Haldane Peto (Chairman) (aged 65)

Mr. Peto is part time Chairman of DTZ Investment Management Ltd. In 1992, Mr. Peto founded the real estate investment management arm of DTZ (which now has over £4 billion of assets under management). Mr. Peto chairs a number of investment committees for property funds and is a non-executive director of Lend Lease Europe GP Limited (Retail Fund), Western Heritable Investment Company Ltd, Standard Life Investments Property Income Trust Ltd and the commercial subsidiary of the Royal Bath & West Society. Mr. Peto was Global President of RICS in 2010 – 2011, a member of the Bank of England Property Advisory Group from 2007 to 2011, chairman of DTZ UK from 1998 to 2008 and a member of the board of DTZ Holdings Plc from 1998 to 2009.

Robert Malcolm Naish (aged 63)

Mr. Naish was head of real estate at Scottish Widows Investment Partnership ("SWIP") until 2012 with responsibility for a portfolio of commercial property assets spanning the UK, Continental Europe and North America, and SWIP's real estate investment management business. Mr. Naish has over 40 years' experience of working in the real estate industry and qualified as a Chartered Surveyor in 1976. Immediately prior to joining SWIP in 2007 he was director and head of DTZ Investment Management, where he also led new business development in the UK and international markets. He was a founding partner of Jones Lang Wootton Fund Management, and UK Managing Director of LaSalle Investment Management. In 2002, he co-founded Fountain Capital Partners, a pan-European real estate investment manager and adviser. Mr. Naish was also chairman of the Scottish Property Federation for 2010/2011. Mr. Naish now holds a number of non-executive directorships and three roles in the charity sector.

Peter William Dunscombe (aged 67)

Mr. Dunscombe is a director of Murray International Trust plc and HgCapital Trust plc. Mr. Dunscombe joined a London firm of stockbrokers in the early 1970s to carry out economic and company research. After five years he joined Imperial Group in their in-house pension fund management team and later became joint managing director of Imperial Investments Limited. Mr. Dunscombe joined BBC Pension Trust Limited where he was Head of Pension Investments until 2011. Mr. Dunscombe is a member of the investment committees of The Pensions Trust, Reed Elsevier Pension Fund, St James's Place plc and the Nuffield Foundation.

Marlene Wood (aged 53)

Mrs. Wood is a chartered accountant with a broad range of experience in both private and public sectors. She is currently a non-executive board member for the Scottish Funding Council for Further and Higher Education and also chairs their audit committee and sits on their remuneration committee. She was chair of the audit committee for the University of the Highlands and Islands until 2014. Mrs. Wood spent twenty years with the Miller Group, a major UK property business, predominantly as finance director for Miller Developments, the property development and investment arm, and latterly as group accounting and treasury director. Mrs. Wood is currently non-executive director and treasurer for two charities: One Parent Families Scotland and Edinburgh Printmakers.

2 MANAGEMENT OF THE COMPANY

2.1 Investment Manager

The Company receives investment advice and management services from the Investment Manager, Gravis Capital Partners LLP. The Investment Manager acts as the Company's AIFM for the purposes of the AIFMD. The Investment Manager was incorporated in England and Wales on 14 October 2007 under the Limited Liability Partnership Act 2000 (registered number OC332060) and is authorised and regulated by the FCA (registration number 487393). The Investment Manager has day-to-day responsibility for the control and supervision of the Asset and Facilities Managers.

The Investment Manager was formed with a view to developing a specialist infrastructure advisory boutique. This business model was amended to focus specifically on fund management, principally on income generating defensive sectors central to the UK's social and community infrastructure. The Investment Manager has advised on student accommodation and educational assets since its formation and its senior management team have combined experience of over 30 years in the sector. In the last ten years the partners of the Investment Manager have advised on the financing, development, acquisition and management of student accommodation and educational property assets with a value in excess of £500 million.

As at 31 March 2016, the Investment Manager had total assets under management with a principal value of c.£1.25 billion, including three London-listed closed-ended investment companies traded on the London Stock Exchange and which, as at the Latest Practicable Date, all traded at a premium to their respective net asset valuations.

Investment Management Agreement

The Investment Manager has been given, pursuant to the terms of the Investment Management Agreement, sole responsibility for the management of the Group's assets in accordance with the Company's investment policy, subject to the overall control and supervision of the Directors. The Investment Manager acts as the Company's AIFM for the purpose of the AIFMD and has day-to-day responsibility for the control and supervision of the Asset and Facilities Managers.

The Investment Manager is entitled to receive from the Company: (i) a management fee which is calculated and paid quarterly in arrears at an annual rate of one per cent. of the prevailing NAV; and (ii) a £22,500 per annum fee in relation to the Investment Manager's services provided in its role as the Company's AIFM.

The Investment Management Agreement is terminable by the Company on not less than 12 months' written notice to the Investment Manager at any time, such notice to expire no earlier than six years from 21 September 2015, and is terminable by the Investment Manager on not less than 12 months' written notice to the Company at any time, such notice to expire no earlier than 31 October 2025. If the ordinary resolution to continue the Company's business as presently constituted, to be proposed at the fifth annual general meeting of the Company in 2018, is not passed, then the Investment Management Agreement will be terminable upon 24 months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager.

2.2 The Asset and Facilities Managers

Scape Student Living

The Group has appointed Scape Student Living as the asset and facilities manager in relation to the Scape Properties pursuant to which Scape Student Living provides asset and facilities management services in connection with the Scape Properties (including sales, marketing (including social media) and brand and general facilities management). Scape Student Living also has overall responsibility for the supervision and provision of asset management services through the oversight and management of the Group's employees and is responsible for the procurement and supervision of the facilities management services in connection with the Scape Properties.

The Company has agreed to appoint Scape Student Living to act as the asset and facilities manager of any projects that are the subject of the Pipeline Agreement which are acquired by the Group.

Under the terms of the Scape Agreements, Scape Student Living is entitled to a fee which is calculated and paid quarterly in arrears and is equal to one-quarter of the Investment Manager's

management fee attributable to the relevant asset. The Investment Manager is responsible for the payment of fees to Scape Student Living out of its investment management fees.

Scape Student Living has been appointed as the asset and facilities manager of each of the Scape Properties for initial terms of five years from the start of the 2015 academic year, thereafter being terminable upon twelve months' written notice (such notice not to be served prior to the end of the 2019 academic year) and at any time by either party in certain circumstances, including on the part of the Group in the event of the insolvency of Scape Student Living or in the event of a material breach by Scape Student Living of the relevant agreement which, if capable of remedy, is not remedied within 30 days of the Group serving a notice on Scape Student Living detailing the breach and requiring it to be remedied.

Scape Student Living will take over as the asset and facilities manager in respect of The Pad with effect from September 2016. The fees to be paid to Scape Student Living for its services in connection with The Pad will be paid on the same basis as is outlined above, and the term of the engagement will be as outlined above, in respect of each of the Scape Properties.

Scape Student Living has a number of professional accreditations including: Accreditation Network UK, ISO 9001 Certification (Quality Management Standard), ISO 14001 Certification (Environmental Management Standard), National Code, UK Council for International Student Affairs and the Association for Student Residential Accommodation.

Scape Student Living is owned by its senior management (being Adam Brockley and Paul Williams) and certain partners of the Investment Manager. The owners have extensive experience in site finding, land assembly and planning, design, development, financing and operation of student residential and educational property assets.

Corporate Residential Management Limited

CRM has been appointed by the Group to provide asset and facilities management services (including sales, marketing, facilities and brand management) in relation to The Pad pursuant to the terms of the CRM Agreement.

CRM is a former division of Savills focused on managing the residential assets of corporate and institutional investors. Its student accommodation management division (CRM Students) has become a leading independent asset manager of purpose built student accommodation in the UK with expertise in both student care and property management. CRM Students is accredited to the National Codes of Standards for Larger Developments and by Accreditation Network UK.

Under the terms of the CRM Agreements, CRM is entitled to an aggregate asset management fee of 5 per cent. of the total rental income of The Pad collected per annum. The CRM Agreements will terminate with effect from September 2016.

Collegiate Accommodation Consulting Limited

Collegiate has been appointed by the Group to provide asset and facilities management services (including sales, marketing, facilities and brand management) in relation to Water Lane Apartments pursuant to the terms of the Collegiate Agreement.

Collegiate is a provider and manager of numerous student accommodation locations and facilities throughout the UK.

Under the terms of the Collegiate Agreement, Collegiate is entitled to an asset management fee of 5.5 per cent. of the income collected by Collegiate in respect of Water Lane Apartments. The initial term of the Collegiate Agreement is 16 December 2014 to 1 September 2017, following which, subject to any other right of termination and notice contained in the Collegiate Agreement, it will be renewed on an annual basis in respect of a financial year (being 1 September to 31 August).

3 OTHER ARRANGEMENTS

3.1 Administrator

Capita Sinclair Henderson Limited has been appointed as Administrator to the Company. The Administrator provides the day-to-day administration of the Company. The Administrator is also responsible for the Company's general administrative functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records. Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee of

£75,000 per annum (exclusive of VAT). The Administration Agreement is terminable upon six months' written notice.

3.2 Secretary

Capita Company Secretarial Services Limited has been appointed by the Company to provide company secretarial functions required by the Companies Act. The Company's statutory records are maintained at the Company's registered office. The Secretary is entitled to a company secretary fee of £60,000 per annum (exclusive of VAT). The Secretary Agreement is terminable upon six months' written notice.

3.3 Registrar

The Company utilises the services of Capita Asset Services as registrar in relation to the transfer and settlement of Shares held in uncertificated form. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.70 per Shareholder account per annum, subject to a minimum fee of £5,156 per annum (exclusive of VAT). The fee is subject to increase in line with RPI. The Registrar is also entitled to activity fees under the Registrar Agreement. The Registrar Agreement may be terminated on six months' notice.

3.4 Depositary

Langham Hall UK Depositary LLP has been appointed as Depositary to the Company pursuant to the terms of the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is entitled to receive a fee of £44,000 per annum (exclusive of VAT). The Depositary Agreement is terminable by either the Company and/or the Investment Manager or the Depositary giving to the other not less than six months' written notice.

3.5 Auditor

Ernst & Young LLP provides audit services to the Group. The annual report and accounts are prepared according to accounting standards laid out under IFRS.

4 FEES AND EXPENSES

On-going annual expenses of the Company will be borne by the Company including fees paid to the Directors and service providers as detailed in paragraphs 3.1 to 3.5 of this Part 2 above, travel, accommodation, printing, audit, finance costs, due diligence and legal fees. Certain reasonable out-of-pocket expenses of the Investment Manager, the Asset and Facilities Managers, the Administrator, the Registrar, the Depositary and the Directors relating to the Group will also be borne by the Company.

5 CONFLICTS OF INTEREST

The Investment Manager, the Asset and Facilities Managers or any associate, director, partner, officer, employee, agent of any of them (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Group. Whenever such conflicts arise, the Investment Manager shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated, fairly.

Additionally, the fact that the Interested Parties engage in other business activities may reduce the time the Investment Manager and the Asset and Facilities Managers spend managing the Group's investments. Notwithstanding the Investment Management Agreement and the Asset and Facilities Management Agreements, the Investment Manager's and each of the Asset and Facilities Manager's decision to spend time on other activities besides the management of the Group's investments could be influenced by a variety of factors, including the compensation structure of any other investment vehicles and/or business activities as compared to that of the Group.

The Investment Manager has, pursuant to the terms of the Investment Management Agreement, agreed with the Company that neither it nor, *inter alia*, any employee of the Investment Manager, may, (while the Investment Management Agreement is in force) without the express prior written consent of the Company act as the adviser, manager or sponsor of any fund or entity that may invest in assets within the scope of the Company's investment policy or engage in any activity which may compete in the same or substantially similar investment area as the Company.

Mr Nigel Taeë is Chairman and Mr Tom Ward is the chief operating officer of Scape Student Living.

The executive partners of the Investment Manager (including Mr Ward) indirectly own, in aggregate, approximately 25 per cent. of Scape Student Living. In addition to this, Mr Taeo owns approximately 25 per cent. of Scape Student Living. Mr Taeo holds a substantial minority partnership interest in the Investment Manager of whom he is a non-executive partner, and in which capacity he is excluded from any involvement in investment management activities relating to the Company.

Scape Student Living has undertaken, pursuant to the Pipeline Agreement, to use its reasonable endeavours to ensure that the owner or owners of the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and branded under the 'Scape Student Living' brand, enter into right of first offer agreements in respect of such assets as soon as is practicable following their practical completion.

Under the terms of the Scape East Asset and Facilities Management Agreement, it has been agreed that Scape Student Living will act as the asset and facilities manager of those developments, subject to such developments being acquired by the Group, on the same commercial terms as it manages Scape East.

Notwithstanding that any such developments that are acquired by the Group will be acquired on the basis of independent valuations, these circumstances may also lead to conflicts of interest. The Directors have satisfied themselves that the Investment Manager and Scape Student Living have procedures in place to address potential conflicts of interest.

The Investment Manager and the Asset and Facilities Managers have confirmed that they will have regard to their obligations under their respective agreements with the Group and will otherwise act in a manner that they consider fair, reasonable and equitable having regard to their respective obligations to other clients, when potential conflicts of interest arise. Furthermore, the activities of the Investment Manager and the Asset and Facilities Managers in relation to the Group are subject to the overall direction and review of the Directors.

6 THE TAKEOVER CODE

The Takeover Code applies to the Company.

7 CORPORATE GOVERNANCE

The Disclosure and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements. Historically, the Company has voluntarily complied with and reported against the provisions of the UK Corporate Governance Code. The Company has recently become a member of the Association of Investment Companies ("**AIC**") and the Board has considered the principles and recommendations of the AIC Code of Corporate Governance (the "**AIC Code**"), by reference to the AIC Corporate Governance Guide for Investment Companies (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. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders. The Company complies with the recommendations of the AIC Code, the relevant provisions of the UK Corporate Governance Code (except as set out below) and associated disclosure requirements of the Listing Rules (to the extent applicable to and voluntarily adopted by the Company).

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide the Board considers these provisions are not relevant to the Company, being an externally managed investment company with an entirely non-executive board. The Company has, therefore, not reported in respect of these provisions.

Peter Dunscombe is the senior independent director of the Company.

The Company's audit committee is chaired by Mrs. Wood and consists of all the Directors and meets at least four times a year. The Board considers that the members of the audit committee have the requisite skills and experience to fulfil the responsibilities of the audit committee. The audit committee examines the effectiveness of the Group's control systems. It reviews the half-yearly and annual reports and receives information from the Investment Manager. It also reviews the scope, results, cost effectiveness, independence and objectivity of the external auditor.

The Company has established a management engagement committee which is chaired by Mr. Naish and consists of all the Directors. The management engagement committee meets at least once a year or more often if required. Its principal duties are to consider the terms of appointment of the Investment Manager, the Asset and Facilities Managers and other service providers of the Company and it annually reviews such appointments and the terms of the Investment Management Agreement, the Asset and Facilities Management Agreements and other service providers' agreements.

8 DIRECTORS' SHARE DEALING

The Company is not required to comply with the Model Code. However, the Company has adopted a voluntary share dealing code for the Directors pursuant to which the Directors comply with the Model Code. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors. On 3 July 2016, MAR will come into force. From this date, the FCA proposes to introduce new rules requiring companies listed on the premium listing segment of the Official List of the UKLA to have effective systems and controls regarding dealing clearance procedures.

The Company will adopt a new share dealing code in compliance with MAR and the FCA's new Listing Rules with effect from 3 July 2016 and, to the extent that the Directors have resolved that the Company will voluntarily comply with a provision of the Listing Rules and such Listing Rule is amended by the FCA in connection with the implementation of MAR or otherwise, it is the Directors' current intention that the Company will also voluntarily comply with any such amendment.

PART 3

THE PLACING PROGRAMME

1 INTRODUCTION

On 27 April 2016, Shareholders approved resolutions to enable the Company to issue up to 65 million Shares (representing approximately 30 per cent. of the issued share capital of the Company as at the Latest Practicable Date) on a non-pre-emptive basis pursuant to the Placing Programme.

The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Placing Shares on appropriate occasions over a period of time. The maximum number of Placing Shares available under the Placing Programme should not be taken as an indication of the number of Placing Shares finally to be issued. The Placing Shares are being made available under the Placing Programme at the Placing Price as determined from time to time. The terms and conditions that apply to the purchase of Placing Shares under the Placing Programme are set out in Part 9 of this document.

2 BACKGROUND TO AND REASONS FOR THE PLACING PROGRAMME

The Company, through its Investment Manager, continues to see high quality opportunities in the student residential accommodation market which it believes are strongly positioned to benefit from the core supply/demand imbalance characteristics which the Company seeks to identify in potential investments. To provide the Company with the operational flexibility to take advantage of such investment opportunities as and when they arise, whilst also minimising the negative impact of excess cash drag on its returns, the Company announced on 7 April 2016 that it was intending to implement the Placing Programme.

3 BENEFITS OF THE PLACING PROGRAMME

The Directors believe that instituting the Placing Programme will have the following benefits for Shareholders:

- the Company will be able to raise additional capital promptly, enabling it to take advantage of current and future investment opportunities, thereby further diversifying the Group's investment portfolio;
- an increase in the market capitalisation of the Company will help to make the Company attractive to a wider investor base;
- it is expected that the secondary market liquidity in the Shares will be further enhanced as a result of a larger and more diversified shareholder base. The Placing Programme will partially satisfy market demand for Shares from time to time and may improve liquidity in the market for Shares; and
- the Company's fixed running costs will be spread across a wider shareholder base, thereby reducing its ongoing charges ratio.

4 PLACING PROGRAMME

The Placing Programme will open on 29 April 2016 and will close on the Final Closing Date. A maximum of 65 million Placing Shares will be issued pursuant to the Placing Programme. Such Placing Shares will, subject to the Company's decision to proceed with an allotment at any given time, be made available at the Placing Price. The allotment and issue of Placing Shares under the Placing Programme is at the discretion of the Directors. Allotments and issuances may take place at any time prior to the Final Closing Date. An announcement of each allotment and issue will be released through a RIS, including details of the number of Placing Shares allotted and issued and the applicable Placing Price for the allotment and issue and the expected Admission date. There is no minimum or maximum subscription in respect of any Placing.

The Placing Programme is not being underwritten and, as at the date of this document, the actual number of Placing Shares to be issued is not known. The number of Placing Shares available should not be taken as an indication of the number of Placing Shares finally to be issued.

Where new Placing Shares are issued, the total assets of the Company will increase by that number of Placing Shares multiplied by the relevant Placing Price less the expenses of such issuance.

It is not expected that there will be any material impact on the earnings and NAV per Share, as the total net proceeds of the Placing Programme, after providing for the Company's operational expenses, will be used to purchase investments in line with the Company's investment policy, which may include the pipeline assets identified in paragraph 9 of Part 1 of this document.

As at the Latest Practicable Date, there were 217,709,783 Shares in issue. If 65 million Shares (being the maximum number of Shares available under the Placing Programme) were to be issued pursuant to the Placing Programme, the issued share capital following the closing of the Placing Programme would have increased by approximately 29.9 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 23.0 per cent.

By way of illustration, an existing Shareholder holding Shares representing 5 per cent. of the Company's issued share capital, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold Shares representing approximately 3.9 per cent. of the Company's issued share capital.

Further, the Directors have considered the potential impact of issuance pursuant to the Placing Programme on the payment of dividends to Shareholders and will seek to ensure that issuance under the Placing Programme does not result in material dilution to the dividends per Share that the Company may be able to pay to Shareholders from time to time.

So far as the Directors are aware as at the date of this document, no major shareholders or members of the Company's management, supervisory or administrative bodies intend to make a commitment for Placing Shares under the Placing Programme.

Applications will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on the London Stock Exchange (Specialist Fund Segment). All Placing Shares will be allotted and issued subject to the Admission of such Placing Shares occurring. No application will be made for the Placing Shares to be listed or dealt in on any other stock exchange or investment exchange.

The Placing Shares issued pursuant to the Placing Programme will rank *pari passu* with the Shares then in issue (save for any dividends or other distributions declared, made or paid on the Shares by reference to a record date prior to the allotment and issue of the relevant Placing Shares).

The Placing Programme will be suspended at any time when the Company is unable to issue Placing Shares under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. The Placing Programme may resume when such conditions cease to exist.

5 CONDITIONS

Each allotment of Placing Shares pursuant to the Placing Programme is conditional on:

- Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment being in place;
- the Placing Price being not less than the prevailing NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions);
- the Company having a placing agreement or equivalent arrangement in place at the time of the issue;
- a valid supplementary prospectus being published by the Company when required; and
- Admission of the Placing Shares issued pursuant to the allotment.

In circumstances where these conditions are not fully met, the relevant issue of Placing Shares pursuant to the Placing Programme will not take place.

The terms and conditions which apply to any subscriber for Placing Shares under each Placing carried out under the Placing Programme are set out in Part 9 of this document.

6 THE PLACING PRICE

The minimum price at which Shares will be issued pursuant to the Placing Programme will be equal to the prevailing published NAV per Share at the time of allotment together with a premium

intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions).

In accordance with Chapter 15 of the Listing Rules of the UK Listing Authority, with which the Company voluntarily complies, the Company may not issue Shares at a price below the prevailing published NAV per Share.

An announcement of each allotment under the Placing Programme will be released through a RIS, including details of the number of new Shares allotted and the Placing Price for the allotment.

7 USE OF PROCEEDS

The net proceeds of the Placing Programme, after providing for the Group's operational expenses, will be used to make investments in accordance with the Company's investment policy, which may include the pipeline assets identified in paragraph 9 of Part 1 of this document.

8 COSTS ASSOCIATED WITH THE PLACING PROGRAMME

By issuing Shares at a premium to NAV per Share intended to cover the costs and expenses of the relevant placing (including, without limitation, any placing commissions), such fees and expenses in relation to the Placing Programme will be indirectly borne by subscribers for those Shares. Accordingly, there will be no dilution to the Company's then prevailing NAV arising from the issuance of Shares under the Placing Programme.

The Company will bear the fixed costs incurred in relation to the legal, advisory and regulatory matters arising in connection with the implementation of the Placing Programme, which are estimated to amount to approximately 0.17 per cent. of the Company's prevailing published NAV as at the date of this document.

9 PLACING AGREEMENT

Pursuant to the Placing Agreement, Stifel has agreed to use its reasonable endeavours to procure Placees and the Investment Manager has agreed, *inter alia*, to use its reasonable endeavours to make introductions to potential Placees, each on the terms and subject to the conditions set out in the Placing Agreement.

Under the Placing Agreement, the Company has agreed to pay Stifel and the Investment Manager certain fees and also aggregate commissions equal to £160,000 and 1.5 per cent. of the gross proceeds raised from each Placing under the Placing Programme.

Stifel will be paid from such fees and commissions set out above, a fee of £30,000 for the provision of corporate finance services and a placing commission of 1.20 per cent. of the gross proceeds raised from each Placing under the Placing Programme, together with any applicable VAT. Pursuant to the Placing Agreement, Stifel may rebate any part of its commissions and fees to third parties.

The Board notes the additional resource committed by the Investment Manager in providing its client funds, including the Company, a more comprehensive service which it believes will strengthen the level of transaction and marketing support for the Company, in a cost effective manner, as it seeks to grow.

The Investment Manager will be paid from the fees and commissions set out above a fee of £130,000 in connection with the provision of transaction management and documentation services and a commission of 0.30 per cent. of the gross proceeds raised from each Placing under the Placing Programme, together with any applicable VAT, in connection with marketing and investor introduction services. The Investment Manager has appointed Highland Capital Partners to assist it with its marketing and investor introduction services and will pay any fees due to Highland Capital Partners out of the fees it receives from the Company. Highland Capital Partners is an independent sales, marketing and investor relations business working with brokers and fund management companies to facilitate investor introductions.

The Board further notes that the aggregate corporate advisory costs noted above represent a reduction of approximately £40,000 as against the corporate advisory costs payable pursuant to the Company's fundraising effected in June 2015.

Details of the Placing Agreement are set out in paragraph 6.1 of Part 7 of this document.

10 GENERAL

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 Placing Shares, including further identification of the applicant(s), before any Placing Shares are issued.

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

11 CLEARING, SETTLEMENT AND DEALINGS

Payment for the Placing Shares should be made in accordance with settlement instructions to be provided to Placees by or on behalf of the Company or Stifel.

Whilst it is expected that all Placing Shares allotted and issued pursuant to a particular Placing will be issued in un-certificated form and settled through CREST from Admission, if any Placing Shares are issued in certificated form it is expected that share certificates would be dispatched approximately one week after the Admission of the relevant Shares. No temporary documents of title will be issued. Dealings in Placing Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

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 NAV per Share. Furthermore, the level of the liquidity in the Shares can vary significantly and typical liquidity on the Specialist Fund Segment is relatively unknown.

12 CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Placing Shares within the CREST system. Settlement of transactions in the Placing Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for Placing Shares under the Placing Programme may elect to receive Placing Shares in un-certificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

13 SCALING BACK AND ALLOCATION

The maximum number of Placing Shares available under the Placing Programme is 65 million. In the event that applications for Placing Shares to be issued pursuant to any Placing were to exceed a level that the Directors determine, in their absolute discretion at the time of closing of that Placing, to be the appropriate maximum size of that issue of Placing Shares and, in any event, if applications under the Placing Programme were to exceed the maximum number of Placing Shares available under the Placing Programme, it would be necessary to scale back applications under the relevant Placing. Stifel reserves the right, after consultation with the Company and the Investment Manager, to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Placing Shares.

The Company will notify investors of the number of Placing Shares in respect of which their application has been successful. An announcement of each allotment under the Placing Programme will be released through a RIS, including details of the number of new Shares allotted and the Placing Price for the allotment.

Monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the applicant from whom the money was received.

14 OVERSEAS PERSONS

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below.

The offer of Placing Shares under the Placing Programme 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 Placing Shares under the Placing Programme. It is the responsibility of all Overseas Persons receiving this document and/or wishing to subscribe for Placing Shares under the Placing Programme 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.

No person receiving a copy of this document 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 document 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. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of 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.

Accordingly, the Placing Shares are only being offered and only sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person. Investors should additionally consider the provisions set out under the heading Important Information on page 28 of this document and the terms and conditions of a participation in the Placing Programme contained in Part 9 of this document.

The Company reserves the right to treat as invalid any agreement to subscribe for Placing Shares under the Placing Programme 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.

United States transfer restrictions

Each of Stifel and the Investment Manager warranted in the Placing Agreement that it will not offer or sell or procure the offer or sale of the Placing Shares except in compliance with Regulation S. 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. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver, directly or indirectly, any Shares within the United States, or to, or for the account or benefit of, any U.S. Person.

15 TYPICAL INVESTOR

An investment in the Placing Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result from such an investment. Furthermore, an investment in the Placing Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

FCA-authorized firms conducting designated investment business with retail customers under COB Rules are reminded that securities admitted to trading on the Specialist Fund Segment will be securities that may have characteristics such as: (i) variable levels of secondary market liquidity; (ii) sophisticated corporate structures; (iii) highly leveraged structures; and (iv) sophisticated investment propositions with concentrated risks and are therefore intended for institutional, professional and highly knowledgeable investors. The Company and its advisers not subject to the COB Rules are responsible for compliance with equivalent conduct of business or point of sale rules in the jurisdiction in which they are based or in which they are marketing the securities concerned (if applicable).

PART 4

FINANCIAL INFORMATION ON THE GROUP

1 AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL PERIOD FROM THE COMPANY'S INCORPORATION TO 30 JUNE 2014 AND THE FINANCIAL PERIOD FROM 1 JULY 2014 TO 30 JUNE 2015

Audited consolidated financial statements of the Group for the financial period from the Company's incorporation to 30 June 2014 and from 1 July 2014 to 30 July 2015 in respect of which the Company's auditor, Ernst & Young LLP, Chartered Accountants and Statutory Auditor, of 25 Churchill Place, Canary Wharf, London E14 5EY, has given unqualified opinions that the accounts give a true and fair view of the state of affairs of the Group as at 30 June 2014 and 30 June 2015 respectively and its profits for the periods then ended, have been properly prepared in accordance with the Companies Act, have been delivered to Companies House and are incorporated into this document in full by reference to the same.

Save for the historical information of the Group from the Company's incorporation to 30 June 2015 set out below and incorporated by reference, in paragraph 3 of this Part 4, none of the information in this document has been audited. Unless otherwise indicated, all unaudited financial information relating to the Group contained in this document has been sourced, without material adjustment, from the internal accounting records of the Group which are maintained by the Administrator on the Group's behalf on a basis consistent with the Company's accounting policies.

2 INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIODS ENDED 31 DECEMBER 2014 AND 31 DECEMBER 2015

The Group has published unaudited financial statements in respect of the financial periods from 1 July 2014 to 31 December 2014 and 1 July 2015 to 31 December 2015 prepared using the same accounting policies as for the Company's statutory accounts for the financial period ended 30 June 2015 and International Financial Reporting Standards which are incorporated into this document in full by reference to the same.

3 AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL PERIOD FROM THE COMPANY'S INCORPORATION TO 30 JUNE 2014 AND THE FINANCIAL PERIOD FROM 1 JULY 2014 TO 30 JUNE 2015

3.1 Historical financial information

The audited consolidated financial statements of the Group for the financial period from the Company's incorporation to 30 June 2014 and the financial period ended 30 June 2015, which have been incorporated in this document by reference, include the information specified in the tables below. Where the audited consolidated financial statements of the Group for the financial period from the Company's incorporation to 30 June 2014 and the financial period ended 30 June 2015 make reference to other documents, such other documents are not incorporated into and do not form part of this document.

Nature of information	Audited consolidated financial statements of the Group for the period from 1 July 2014 to 30 June 2015	Audited consolidated financial statements of the Group for the period from the Company's incorporation to 30 June 2014
	Page no(s)	Page no(s)
Statements of Comprehensive Income	59	54
Statements of Financial Position	60	55
Statements of Changes in Equity	61	56
Statement of Cash Flows	62	57
Notes to the Financial Statements	64	58
Report of the Independent Auditor	56	51
Chairman's Statement	4	4
Directors' Report	38	34

3.2 Selected financial information

The key audited figures that summarise the Group's financial condition in respect of the financial period from the Company's incorporation to 30 June 2014 and the financial period ended 30 June 2015 which have been extracted directly on a straightforward basis without material adjustment from the historical financial information referred to in paragraph 3.1 of this Part 4, are set out in the following table:

	As at or for the period ended 30 June 2015	As at or for the period ended 30 June 2014
Total Assets (£'000)	302,503	157,507
Investment property (£'000)	177,220	151,560
Total Assets less Current Liabilities (£'000)	177,820	153,267
Net Assets (£'000)	137,729	112,855
NAV per Share (sterling pence)	125.51	102.64
Share price (sterling pence)	129.25	107.75
Earnings per Share (sterling pence)	28.46	10.50
Dividends per Share (sterling pence)	5.60	5.47

3.3 Operating and financial review

The published audited consolidated financial statements of the Group for the financial period from the Company's incorporation to 30 June 2014 and the financial period ended 30 June 2015, which have been incorporated by reference into this document, 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 financial period from the Company's incorporation to 30 June 2014 and the financial period ended 30 June 2015:

	As at or for the period ended 30 June 2015 Page no(s)	As at or for the period ended 30 June 2014 Page no(s)
Chairman's statement	4	4
Strategic report	8	6
Strategic review	10	8
Governance	36	32
Review of the financial period	16	14
Company performance	19	17
Property portfolio	20	18

4 INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIODS ENDED 31 DECEMBER 2014 AND 31 DECEMBER 2015

4.1 Historical financial information

The interim report and unaudited financial statements for the financial period ended 31 December 2014 and the financial period ended 31 December 2015, which have been incorporated into this document by reference, including the information specified in the tables below. Where the interim report and unaudited financial statements for the financial period ended 31 December 2014 and the financial period ended 31 December 2015 make reference to other documents, such other documents are not incorporated into and do not form part of this document.

Nature of information	Interim report and unaudited financial statements for the financial period ended 31 December 2015	Interim report and unaudited financial statements for the financial period ended 31 December 2014
	Page no(s)	Page no(s)
Unaudited Consolidated Income Statement	12	18
Unaudited Consolidated Statement of Financial Position	13	19
Unaudited Consolidated Statement of Changes in Equity	14	20
Unaudited Consolidated Cash Flow Statement	15	21
Notes to the Consolidated Financial Statements	16	22
Chairman's Statement	4	4

4.2 Selected financial information

The key unaudited figures that summarise the Group's financial condition in respect of the financial period from 1 July 2014 to 31 December 2014 and the financial period from 1 July 2015 to 31 December 2015, which have been extracted directly on a straightforward basis without material adjustment from the historical financial information referred to in paragraph 4.1 of this Part 4, are set out in the following table:

	As at or for the financial period from 1 July 2015 to 31 December 2015	As at or for the financial period from 1 July 2014 to 31 December 2014
Total Assets (£'000)	421,110	166,548
Investment property (£'000)	400,470	160,650
Total Assets less Current Liabilities (£'000)	405,004	162,222
Net Assets (£'000)	275,622	121,468
NAV per Share (sterling pence)	135.35	110.77
Share price (sterling pence)	136.50	115.63
Earnings per Share (sterling pence)	11.89	10.86
Dividends per Share (sterling pence)	2.82	2.80

4.3 Operating and financial review

The interim report and unaudited financial statements for the financial period ended 31 December 2014 and the financial period ended 31 December 2015 which have been incorporated by reference in this document, 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 that period.

	Interim report and unaudited financial statements for the financial period ended 31 December 2015 Page no(s)	Interim report and unaudited financial statements for the financial period ended 31 December 2014 Page no(s)
Chairman's statement	4	4
Investment Manager's report	6	8

5 AVAILABILITY OF REPORTS AND FINANCIAL STATEMENTS FOR INSPECTION

Copies of the Company's annual report and audited accounts and interim report and unaudited financial statements referred to in paragraphs 3 and 4 of this Part 4 are available online at www.gcpuk.com/gcp-student-living-plc/ and are also available for inspection at the address set out in paragraph 14 of Part 7 of this document. Copies of the documents are also available using the hyperlinks below:

- <https://www.gcpuk.com/documentdownload.axd?documentresourceid=184>
- <https://www.gcpuk.com/documentdownload.axd?documentresourceid=134>
- <https://www.gcpuk.com/documentdownload.axd?documentresourceid=218>
- <https://www.gcpuk.com/documentdownload.axd?documentresourceid=155>

The non-incorporated parts of the annual reports and audited accounts and interim reports and unaudited financial statements of the Company referred to in this Part 4 are either not relevant to investors or covered elsewhere in this document.

6 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, secure and unsecured indebtedness) as at 31 March 2016 and the Company's unaudited capitalisation as at 31 December 2015.

Save in relation to the issue of 14,074,075 Shares on 10 February 2016 at a price of 135 pence per Share, as further described in Part 7 below, there has been no material change to the unaudited capitalisation of the Company since 31 December 2015 to the date of this document.

UNAUDITED INDEBTEDNESS AS AT 31 MARCH 2016	£'000
Total current debt	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt	130,000
Guaranteed	—
Secured	130,000
Unguaranteed/unsecured	—

UNAUDITED CAPITALISATION AS AT 31 DECEMBER 2015**£'000****Shareholder equity**

Share capital	2,036
Legal reserves (excluding revenue reserve)	—
Other reserves (excluding revenue reserve)	162,775
Revenue reserve	110,811
Total	275,622

The following table shows the Company's unaudited net indebtedness as at 31 March 2016.

	£'000
A. Cash	10,921
B. Cash equivalent	—
C. Trading securities	—
D. Liquidity (A + B + C)	10,921
E. Current financial receivables	4,548
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Other current financial debt	7,510
I. Current financial debt (F + G + H)	7,510
J. Net current financial debt (I - E - D)	(7,959)
K. Non-current bank loans	130,000
L. Bonds Issue	—
M. Other non-current loans	—
N. Non-current financial indebtedness (K + L + M)	130,000
O. Net financial indebtedness (J + N)	122,041

PART 5
VALUATION REPORT

Knight Frank



GCP Student Living plc
51 New North Road
Exeter
EX4 4EP

Stifel Nicolaus Europe Limited
4th Floor, 150 Cheapside
London
EC2V 6ET

29 April 2016

Dear Sirs

GCP Student Living plc (the “Company”) Valuation Report as at 31 March 2016 of six property assets

In accordance with the terms of engagement agreed with you, we have the pleasure in reporting as follows:

1 Scope of Instructions

We are instructed to report to you our opinion as to the value of:

- Scape Shoreditch, Corsham Street, London N1 6DP (“**Scape Shoreditch**”)
- Scape East, 438 – 490 Mile End Road, London, E1 4PE (“**Scape East**”)
- Scape Greenwich, Bear Point, 2 East Parkside, London, SE10 0FQ (“**Scape Greenwich**”),
- The Pad Phase One and Phase Two, Egham, 57-71 Egham Hill, Egham, TW20 0ER (“**The Pad**”)
- Scape Surrey, 1 Kernal Court, Walnut Tree Close, Guildford, Surrey, GU1 4BUD (“**Scape Surrey**”), and
- Water Lane Apartments, Temple Street, Bristol, BS1 6HS (“**Water Lane Apartments**”)

(the “**Properties**”).

The Properties are held by nominee companies:

Scape East is owned by GCP Scape East Limited,

The Pad is owned by GCP RHUL Limited,

Scape Greenwich is owned by Leopard Guernsey Greenwich Limited and Leopard Guernsey Greenwich 2 Limited,

Scape Shoreditch is owned by Leopard Guernsey Old Street Limited and Leopard Guernsey Old Street 2 Limited

Scape Surrey is owned by GCP SG Limited,

Water Lane Apartments is owned by GCP WL Limited

all of which are wholly owned subsidiaries of the Company as at 31 March 2016 (the “**Valuation Date**”).

Our valuation is of the entirety of the interest held by the Company in the Properties.

2 The Purpose of the Valuation

The valuation is required solely for the purpose of financial reporting under IFRS and for use in connection with the placing programme of ordinary shares of one pence each in the capital of the Company (the “**Shares**”) and the admission(s) of the Shares to trading on the London Stock Exchange (Specialist Fund Segment) (together the “**Transaction**”) and the prospectus to be issued by the Company in connection with the Transaction (the “**Prospectus**”).

3 The Properties

Full details of the Properties are included in the appendices to this report.

The properties were inspected on the following dates:

Scape East, London – 18 August 2015

The Pad, Egham – 18 August 2015

Scape Greenwich, Greenwich – 18 August 2015

Scape Shoreditch, London – 18 August 2015

Scape Surrey, Guildford – 18 August 2015

Water Lane Apartments, Bristol – 14 January 2016

4 Basis of Valuation

The Properties have been valued on the basis of “Market Value” (as defined below) subject to their existing tenancies at the Valuation Date in accordance with the relevant definitions, commentary and assumptions contained in the RICS Valuation – Professional Standards 2014 Global & UK edition (the “**Red Book**”), including the International Valuation Standards and 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 Commission Regulation (EU) No. 809/2004 implementing the Prospectus Directive.

The valuation has been undertaken by us as External Valuers (as defined in RICS Valuation – Professional Standards). We confirm that the Valuer meets the requirements of the RICS Valuation – Professional Standards VS 1.6, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

Valuations undertaken on the basis of Market Value under RICS Valuation – Professional Standards adopt the definition and the conceptual framework settled by the International Valuation Standards Council (“**IVSC**”).

“Market Value” is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date 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.”

In Section 11 of this report, we also make reference to the valuation of the Properties for financial reporting purposes on the basis of Fair Value (as defined below), in accordance with RICS Valuation – Professional Standards and International Valuation Standards.

“Fair Value” is defined by the International Accounting Standards Board as:

“The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date”.

5 Tenure and Tenancies

We have not been provided with any title documents and we have assumed for the purpose of this valuation that a good and marketable title can be shown and that the Properties are not subject to any onerous restrictions, encumbrances or outgoing. We are providing this valuation on the basis that all documentation has been satisfactorily drawn on institutionally acceptable terms, and that there are no unusual outgoing, planning proposals, onerous restrictions or local authority intentions which affect any of the Properties nor any material litigation pending.

We have been informed that Scape Greenwich is held on a 250 year lease at a peppercorn rent and Scape Shoreditch is held on a 150 year lease from July 2013 at a current passing rent of £311,057. The other properties are held freehold.

Details of the occupation agreements of each of the Properties are contained in the appendices to this report.

6 Town Planning

We have not made formal searches in respect of the Properties, but generally relied upon verbal enquiries and any informal information received from the Local Planning Authority, together with information provided by the Company. We have assumed that the Properties have been constructed and are occupied and used in accordance with the appropriate consents and that there are no outstanding statutory notices, consent or other statutory regulations. We assume that all conditions of any Section 106 agreements have been discharged. We assume the Properties comply with all relevant statutory requirements including fire and building regulations.

7 Structure and Condition

We have not carried out a building, structural and ground condition survey of the Properties, nor tested any services, plant or machinery. We are therefore not able to give any opinion on the condition of any existing structures and services. During our inspections, 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.

8 Site Condition and Environmental Matters

We have not investigated ground conditions. Our valuation is on the basis that there are no unidentified adverse ground or soil conditions and that the load bearing quality of the sites are sufficient to support the buildings constructed thereon and that the Properties have been constructed having appropriate regard to existing ground conditions.

We have not carried out any scientific investigations or tests to establish the existence or otherwise of any environmental contamination in relation to the Properties, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.

Subject to the above, while carrying out our valuation inspection, we have not been made aware of any uses conducted at the Properties that would give cause for concern as to possible environmental contamination. Our valuation is provided on the assumption that the Properties are unaffected.

9 Inspection

We inspected the Properties both internally and externally on an annual basis and have inspected the Properties within the last nine months.

10 Information Provided

Our valuation is based upon the information (including in relation to tenants and tenancies, tenure, accommodation, floor areas, legal title, planning, ground conditions, and environmental issues) with which we have been supplied by the Company. We have relied upon this as being complete and correct and on there being no undisclosed matters which would affect our valuation.

When considering the covenant strength of individual tenants we did not receive any formal report and did not carry out detailed investigations as to their financial standing, but have liaised with the Company and reflected in our valuation our general understanding of purchasers' likely perception of the tenant's financial status.

We have assumed that there are no significant arrears of payment and that the tenants are capable of meeting their obligations under the terms of leases and agreements.

11 Taxation and Costs

In accordance with market practice, we have deducted usual purchaser's costs in arriving at our opinion of Market Value, including liability to UK Stamp Duty Land Tax in accordance with Multiple Dwelling Relief as applicable at the valuation date (on the student accommodation element of the buildings).

No allowances were made for vendor's expenses of realisation or for any taxation liability arising from the sale of the Properties. Our valuations are exclusive of any VAT that may be chargeable. The Properties have been valued disregarding any mortgages or other charges.

12 Valuation of the Properties as at 31 March 2016

Valuation Methodology

The Market Value for the Properties have been calculated by adopting the gross Market Rent and capitalising the net income having deducted our estimate of operating costs, voids and estimated purchaser's costs.

Market Value

We are of the opinion that the aggregate Market Value of the freehold and leasehold interests in the Properties subject to their existing occupational agreements as at the Valuation Date is:

£420,315,000

(Four Hundred and Twenty Million, Three Hundred and Fifteen Thousand Pounds)

<i>Freehold</i>	Long Leasehold *	Short Leasehold **
£199,135,000 (4 properties)	£174,570,000 (2 properties)	£0 (0 properties)

* more than 80 years unexpired

** less than 80 years unexpired

Where valuation of assets is required for financial reporting purposes of an entity preparing financial statements in accordance with International Financial Reporting Standards (IFRS) the required basis of value is Fair Value, at the measurement date, in accordance with IFRS13 *Fair value measurement* issued by the International Accounting Standards Board. You have informed us that the financial statements of the Company will be prepared under IFRS. In our opinion the valuation of the Properties on the Fair Value basis (as defined in Section 3 of this report), at the same date, would not result in any difference to the value stated above on the Market Value basis.

As at 30 June 2015 the Group had total property assets of £177.2 million. The equivalent figure, as set out in this report, is £420.3 million. The increase of £243.1 million principally consists of an increase of £219.4 million from acquisitions of new property since 30 June 2015 and an increase in value of the Group's property assets, of £23.7 million.

The above valuation was dated 31 March 2016 and we confirm that there has been no material change in the value of the Properties as at the date of this report.

The net initial yield based on the aggregate of the individual market values as stated herein equates to 5.19%.

13 Key risks relating to the valuation

- Net income achievable is a variable dependent upon achieving estimated weekly market rents, the occupancy levels and operating costs.
- The student accommodation property sector is a growing specialised investment sector. The market remains characterised by limited transactional activity from which evidence of market levels or trends can be discerned. Accordingly, valuations in this sector rely to a greater extent upon professional judgment.
- Our valuation method involves a high degree of professional judgement. Our three key variables are net initial yields, rents/occupancy and facilities management costs. There are assumptions around each of these.
- The Properties derive their net income from lettings to students, whilst diversified in terms of numbers of individual lettings, are only secured for one year.
- The owner retains liability for operational costs which if in excess of assumed amounts could adversely affect net income receivable. The Properties will need active on-going management.
- Current and proposed new developments added to supply may impact rental growth.

- The market can be impacted by changes to Government policy and funding to Higher Education

14 Disclosure

We confirm that Knight Frank LLP is appointed by the Company and Stifel Nicolaus Europe Limited as External Valuer, as defined in the RICS Valuation Standards as being “a valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client, or the subject of the assignment”.

We further confirm that, in relation to Knight Frank LLP’s preceding financial year, the proportion of the total fees paid by the Company to the total fee income of Knight Frank LLP was less than 5%. We recognise and support the RICS Rules of Conduct and have established procedures for identifying conflicts of interest.

We disclose that Knight Frank LLP has previously provided valuation advice to the lenders who provided development finance for the Properties. We do not consider that any conflict of interest arises for us in preparing this Valuation Report, and the Company has confirmed to us that it also considers this to be the case.

We confirm that we do not have any material interest in the Company or the Properties.

15 Responsibility

This Valuation Report has been prepared for inclusion in the Prospectus and may not be reproduced or used in connection with any other purpose 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 Valuation Report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this Valuation Report and declare that we have taken all reasonable care to ensure that the information contained in this Valuation Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Neil Armstrong MRICS

Partner, Student Property

For and on behalf of Knight Frank LLP

James Woolley MRICS

Associate, Student Property

For and on behalf of Knight Frank LLP

The Properties

Address	Scape Shoreditch, Corsham Street, London N1 6DP (“Scape Shoreditch”)
Location	<p>The property is located in the London Borough of Hackney, on the southern side of Shoreditch. To the north west of the site is iQ Shoreditch; to the west is a Premier Inn and to the east is Hoxton Square.</p> <p>In terms of the property’s location in relation to higher education institutions within London, it is located in close proximity to City University London, located west of the site. London Metropolitan University and Cass Business School all have campuses nearby.</p> <p>In terms of the property’s location in relation to commercial uses, it would be considered a good secondary location close to Old Street roundabout although the building lacks prominence. The planning permission allows for A1 and A3 uses although, in our opinion, this would be considered a secondary location due to a lack of prominence and a lack of footfall past the property.</p>
Description and Accommodation	<p>The property comprises a brand new student accommodation scheme totalling 541 studio bedrooms along with circa 50,000 sq ft of commercial accommodation at ground and first floor levels. The property is arranged over basement, ground and up to nine upper floors. Practical completion was gained on 6 August 2015 in time for the start of the 2015/16 academic year.</p>
Tenure	<p>Leasehold – 150 years from 26 July 2013 at an initial rent of £300,000 per annum. The rent is to be reviewed annually upwards only to RPI (all items). We understand from Gowling WLG (UK) LLP that the initial rent was subject to an RPI review on 26 July 2014 and that the rent was increased to £307,929.51 per annum. We are unsure if the July 2015 rent review has been actioned. We have estimated the ground rent as at the July 2015 rent review to be £311,057 per annum.</p>
Tenancies	<p>We understand that the student accommodation is to be let under licences to occupy under the Housing Act 1996. There is additional commercial space which is subject to a lease with Corsham Tenant Limited with a guarantee from WeWork Companies Inc. for a 15 year lease with no break options at a rent of £54.50 per sq ft. There is a further small office area which is to be let to Scape Student Living Limited for 15 years with no break at a peppercorn rent. The property is fully let for the current academic year.</p>
Valuation Considerations	<ul style="list-style-type: none">• The site is well located to serve the campuses of London Metropolitan University and City University London, all of which are situated within close proximity. Other higher education institutions in close proximity include Cass Business School, The University of Law (London Moorgate), University of Liverpool in London, City University London and University of the Arts London.• The property is located in an area that is already established as a student location with other schemes in close proximity including iQ Shoreditch and Urbanest Hoxton.• The investment market in student accommodation has seen a good volume of transactions which have demonstrated investor sentiment in the sector.• London is a world-leading university city, with numerous higher education institutions, providing a strong supply of students.• The property has excellent connectivity being within 5 minutes walking distance of Old Street Underground station and numerous bus routes. Liverpool Street train rail and underground station is approximately a 15 minute walk away.

- Given the location of the site it will appeal to full-time students studying at institutions across Central London.
- Whilst the standard studios are relatively small, the scheme offers high specification studio accommodation in addition to generous communal study and catering areas.
- The majority of the commercial accommodation is let to a newly formed company called Corsham Tenant Limited with a guarantee from its US based parent company, WeWork Companies Inc.

Address	Scape East, 438 – 490 Mile End Road, London, E1 4PE
Location	The property is located in the borough of Tower Hamlets, in the east of London, on the southern side of Mile End Road. To the east and south east of the site are residential properties (which form part of the Ocean Estate); to the south a Council depot and to the west a multi-storey block of student housing. In terms of the property's location in relation to higher education institutions within London, it is located in close proximity to Queen Mary University of London (Mile End campus) which is located opposite the site.
Description and Accommodation	The property was completed in June 2012 and comprises a purpose-built student accommodation scheme of 588 studios together with an education facility (19,758 sq ft NIA) and retail units (2,450 sq ft NIA) arranged over ground and eight upper floors.
Tenure	Freehold
Tenancies	<p>Of the 588 studios, 210 in respect of the 2015/16 academic year are subject to a nominations agreement made between Mile End Road Nominee (No.1) Limited and Mile End Road Nominee (No.2) Limited (the "Owner") and Mile End Road 2 Limited ("INTO"). The agreement commenced on 15 September 2012 and expires on 4 September 2025. The remaining studios are let directly to students on short-term lease or licence agreements of one year or less.</p> <p>The teaching facility is currently let to Espalier Property Project 004 Limited on a full repairing and insuring lease at a current annual rent £462,462 for a term of 30 years (rent from September 2015). The retail units are both let on 10-year full repairing and insuring leases for an annual rent of £37,657 per annum. The property is fully let for the current academic year.</p>
Valuation Considerations	<ul style="list-style-type: none"> ● London is a world-leading university city, with numerous higher education institutions, providing a strong supply of students. ● The subject property is purpose built and provides attractive student accommodation in studios. ● The property has excellent connectivity being within 5 minutes walking distance of Mile End Road Underground station and numerous bus routes. The property is positioned opposite Queen Mary University campus. ● Given the location of the property it will appeal to full-time students studying at institutions across Central London and the London Borough of Tower Hamlets. ● The property offers high specification studio accommodation in addition to generous communal study and catering areas.

Address	Scape Greenwich, Bear Point, 2 East Parkside, London, SE10 0FQ
Location	The site is located at the southeast segment of the Greenwich Peninsular. The Greenwich Peninsular is located within the pinnacle of land of North Greenwich bounded by the River Thames. To the west is Blackwall Tunnel Approach (A102) and to the east is the River Thames along which runs the North Greenwich Pier.
Description and Accommodation	The property comprises two blocks of nine storey purpose built student accommodation totalling 280 bedrooms. The two blocks are joined by a shared reception area with bike store and common room facilities. Phase one, which completed in September 2013, comprises a total of 152 studios. Phase two, which completed in December 2013, comprises a further 128 bedrooms.
Tenure	Leasehold (250 years at a peppercorn rent).
Tenancies	<p>There are 100 bedrooms that benefit from a nominations agreement to Ravensbourne College for 15 years from September 2013 with full rental guarantees. The rent is to be reviewed to effectively RPI + 1% on an annual basis.</p> <p>The remaining 180 bedrooms are to be let on licences or fixed term assured short hold tenancy agreements, under the Housing Act 1996. The property is fully let for the current academic year.</p>
Valuation Considerations	<ul style="list-style-type: none"> ● London is a world-leading university city, with numerous higher education institutions, providing a strong supply of students. ● The subject property is located in the London Borough of Greenwich which has a strong supply / demand imbalance. ● Ravensbourne College are occupying 100 of the 152 bedrooms in Phase one under a nominations agreement for 15 years with rental guarantees. The rent is to be reviewed annually to effectively RPI plus 1%. ● The remaining bedrooms are directly let to students.

Address	The Pad (Phase One and Two), 53-71 Egham Hill, Egham, TW20 0QE
Location	The subject site is located on Egham Hill adjacent to The Royal Holloway and Bedford College in Egham.
Description and Accommodation	The property comprises a purpose built student accommodation scheme developed in two phases. Phase One totals 116 bedrooms in a mix of en suite clusters and studio rooms, in three blocks arranged as a “U” and Phase Two 104 bedrooms, all arranged as studios. Phase One of the property opened in time for the 2013/14 academic year, and Phase Two in time for the 2015/16 academic year.
Tenure	Freehold
Tenancies	We understand that the individual rooms are let to students on a fixed term short-hold assured tenancy agreements, under the Housing Act 1996. The property is fully let for the current academic year.
Valuation Considerations	<ul style="list-style-type: none"> ● The subject property is purpose built and opened in September 2013. ● The property provides attractive student accommodation in a mix of en-suite cluster flats and studios. ● The property has been fully let since its first operational year. ● The property is well located adjacent to the Royal Holloway University of London campus. ● There is very strong demand in Egham for purpose built student accommodation. There are currently circa 8,550 full time students of which 5,550 (65%) are unable to access university or private sector purpose-built accommodation. ● Egham is a good university town, with Royal Holloway University of London ranking in the Top 30 in the Times Higher Education World University Rankings category of ‘International Outlook’, providing a strong supply of students but is a small market in terms of total size. ● Although there is currently an absence of competitive schemes and good underlying residential values, there remains the risk of competitor incursion which could affect the future letting rental growth prospects.

Address	Scape Surrey, 1 Kernal Court, Walnut Tree Close, Guildford, Surrey, GU1 4UD
Location	The property is located on the corner of Kernal Court and Walnut Tree Close in Guildford to the east of the University of Surrey. Walnut Tree Close runs parallel to the River Wey and is situated adjacent to the North Downs Railway Line. To the north of the property via Woodbridge Meadows is the A3 connecting London and Portsmouth.
Description and Accommodation	The property is a purpose built student accommodation scheme new for the 2015/16 academic year. It comprises 141 bedrooms over ground to fourth floor in a mix of studio and en suite clusters.
Tenure	Freehold
Tenancies	We understand that all rooms are let on fixed term assured short hold tenancy agreements under the Housing Act 1996. The property is fully let for the current academic year.
Valuation Considerations	<ul style="list-style-type: none"> • The University of Surrey, located in Guildford, is a strong University ranked 11th in the Times Good University Guide 2015, and provides 11,525 full time students. • The University of Surrey has a high percentage of postgraduates and most significantly international students at 34.8% nearly 10% higher than the national average. These specific groups have experienced strong growth since the last decade. • The subject property provides a high specification student accommodation scheme in close proximity to the University. • The key characteristics that typify the Guildford student accommodation market are that there is an acute under supply and limited prospects for a swift rebalancing of the market. • There is a strong demand in Guildford for purpose built student accommodation. There are currently c.12,000 full time students in Guildford of which 6,893 (57.4%) are unable to access purpose built accommodation.

Address	Water Lane Apartments, Temple Street, Bristol, BS1 6HS
Location	The subject property is situated on Water Lane in Bristol City Centre. It lies just off Temple Way which is a main section of the inner city ring road, connecting Cabot Circus shopping centre to Bristol Temple Meads rail station. The University of Bristol main campus is 1.5km (0.8 mile) to the north west.
Description and Accommodation	The subject property comprises 153 studio bed spaces in a converted office building. The scheme was new for September 2015 and has been finished to a good specification and offers a high level of communal space.
Tenure	Freehold.
Tenancies	We understand that the property is fully let. We understand that all occupied rooms are let on fixed term assured short hold tenancy agreements under the Housing Act 1996. We understand that the property benefits from an open C3 consent and as such nine of the rooms are let to non-students
Valuation Considerations	<ul style="list-style-type: none"> ● The property is well connected, being close to a main traffic artery, a national rail station, and the city centre. It is also in close proximity to the city centre and the University of Bristol, though the property is not located within a traditional student area in Bristol. ● Student numbers at universities in Bristol have risen steadily in the last decade. ● The specification of the scheme could be regarded as good in relation to competing schemes in Bristol. ● The advertised rents for 2016/17, if achieved, will show rental growth of 6%.

PART 6

UK REIT STATUS AND TAXATION

The information below, which is of a general nature and which relates only to the United Kingdom, is applicable to the Company and to persons who are resident in the United Kingdom (except where indicated) and who hold Shares as an investment. It is based on existing law and practice and is subject to subsequent changes therein. Any change in the Company's tax status or in taxation legislation in the United Kingdom or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company or affect the Company's ability to achieve its investment objective or alter the post-tax returns to Shareholders.

If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

1 TAXATION OF THE COMPANY AND GROUP

1.1 REIT Status

On the basis that the Group continues to meet the conditions for the Group to remain a REIT in relation to an accounting period, the Group will be exempt from UK corporation tax on profits of the Property Rental Business and gains on disposals of properties used for the purposes of the Property Rental Business in that accounting period. However, UK corporation tax will still be payable in respect of income and gains from any Residual Business of the Group.

2 UNITED KINGDOM TAX TREATMENT OF SHAREHOLDERS UNDER REIT STATUS

2.1 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, 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 on the Shares, and to disposals of Shares. 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 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.

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.

2.2 UK taxation of Non-PID Dividends

(a) Individual Shareholders

A Shareholder who is an individual resident for tax purposes in the UK and who receives a Non-PID Dividend from the Company will be entitled to a new 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.

(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).

2.3 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 2.3(d) (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 2.3(d) (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 2.3(d) (Withholding tax) below.

(d) Withholding tax

General

Subject to certain exceptions summarised below, the Company is required to withhold UK 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 companies 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. However, the Shareholder may be able to claim repayment from HMRC 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 mentioned in Section 468 of the CTA 2010 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 such treatment. For that purpose the Company will require such Shareholders to submit a valid claim form.

2.4 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.

Assuming that the Finance Bill 2016 is enacted in the form ordered to be printed on 22 March 2016, from 6 April 2016, for individual UK 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) will be payable on any gain. Individuals may benefit from certain reliefs and allowances (including an annual exemption, which exempts the first £11,100 (tax year 2015/16) of gains from tax) depending on their circumstances. The annual exempt amount is expected to remain at £11,100 for individuals for the tax year 2016/17.

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.

2.5 UK stamp duty and SDRT

The following comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with voluntary arrangements or clearance to whom special rules apply.

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

2.6 **ISA, SSAS and SIPP**

Shares acquired pursuant to the Placing Programme will not be qualifying investments for inclusion in an ISA. Shares acquired through the secondary market are qualifying investments for inclusion in an ISA.

The Directors have been advised that the Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

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 3.3 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).

3.3 **Preventing payment of a dividend to a Substantial Shareholder**

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.

3.4 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 3.3 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.

3.5 Trust arrangements where rights to dividends have not been disposed of by a 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 twelve 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.

3.6 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.

3.7 Takeovers

The Special Articles do not prevent a person from acquiring control of the Company through a takeover. Such an event may cause the Company to cease to qualify as a REIT.

3.8 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 is not and does not become a close company and in order that the Group maintains its status as a REIT, which powers may include the ability to arrange for the sale of Shares on behalf of Shareholders.

4 THE SPECIAL ARTICLES

“REAL ESTATE INVESTMENT TRUST

3 CARDINAL PRINCIPLE

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 to a Substantial Shareholder.

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:

- 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);

- 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
- 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:

- (a) the Directors believe that such Shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and
- (b) 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:

- (a) 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
- (b) 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
- (c) 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.
- 5.7 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 twelve 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:
 - (a) 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

- (b) 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
- (c) 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:

- (a) 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
- (b) 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 160 to 165 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):
- (a) to be addressed to the Company, the Directors or such other persons as the Directors may determine (including HMRC);
 - (b) to include such information as the Directors consider is required for the Company to comply with any Reporting Obligation;
 - (c) to contain such legally binding representations and obligations as the Directors may determine;
 - (d) to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;
 - (e) to be copied or provided to such persons as the Directors may determine (including HMRC); and
 - (f) 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)."

PART 7

GENERAL INFORMATION

1 THE COMPANY

- 1.1 The Company was incorporated in England and Wales on 26 February 2013 with registered number 8420243 as a public company limited by shares under the Companies Act. The Company is domiciled in England and Wales.
- 1.2 The principal place of business and the registered office of the Company is 51 New North Road, Exeter EX4 4EP with telephone number 01392 477500.
- 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 trading on the London Stock Exchange (Specialist Fund Segment).
- 1.4 The Company's accounting period ends on 30 June of each year. The annual report and accounts are prepared in Sterling according to accounting standards laid out under IFRS.
- 1.5 On 2 April 2013, 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 The Company is the parent company of the Group. The following table contains a list of the subsidiaries of the Company:

Name	% of beneficial interest	Field of activity	Country of incorporation	Registered Office
GCP Topco Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP Holdco Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP Scape East Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
Ternion (Danehurst) Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP Operations Limited	100	Employer of the Group's employees	UK	51 New North Road, Exeter EX4 4EP
Leopard Guernsey Greenwich JV Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
Leopard Guernsey Greenwich Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
Leopard Guernsey Greenwich 2 Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
GCP RHUL Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP RHUL 2 Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
GCP SG Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP
Old Street Acquisitions Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
Leopard Guernsey Old Street Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
Leopard Guernsey Old Street 2 Limited	100	Property investment	Guernsey	1 Le Truchot St Peter Port, Guernsey GY1 1WD
GCP WL Limited	100	Property investment	UK	51 New North Road, Exeter EX4 4EP

2 SHARE CAPITAL

2.1 The following table shows the issued share capital as at the date of this document and following completion of the Placing Programme (assuming that 65 million Shares are issued pursuant to the Placing Programme):

	<u>Aggregate nominal value</u>	<u>Shares Number</u>
As at the date of this document	£2,177,097.83	217,709,783
Following completion of the Placing Programme	£2,827,097.83	282,709,783

The Company's issued share capital history since its incorporation is as follows:

- (a) on incorporation, one Share was issued at £1.00 (fully paid) for the purposes of incorporation to the subscriber of the Company's memorandum of association;
 - (b) on 21 March 2013: (i) 100,001 non-voting redeemable fixed rate preference shares of 50 pence each were issued at par (fully paid) to the Initial Asset Partners; and (ii) a further 100,000 Shares were issued at £1.00 per Share (nil paid) to the Initial Asset Partners;
 - (c) on 20 May 2013, the 100,000 Shares issued to the Initial Asset Partners were fully paid up and 70,000,000 Shares were issued fully paid pursuant to a placing and offer for subscription. Simultaneous to the issue of such Shares, the non-voting redeemable fixed rate preference shares of 50 pence each were redeemed and cancelled in accordance with the Articles;
 - (d) by an order of the High Court of Justice (Chancery Division) dated 31 July 2013 the cancellation of the Company's share premium account was approved and a statement of capital approved by the High Court of Justice (Chancery Division) in respect of the cancellation was registered by the Registrar of Companies on 31 July 2013;
 - (e) on 22 May 2014, following an open offer, placing and offer for subscription by the Company, the Company issued 39,810,427 Shares;
 - (f) on 30 June 2015, following an open offer, placing and offer for subscription, the Company issued 120,000,000 C shares of one pence each ("**C Shares**") at a price of 100 pence per C Share;
 - (g) on 27 October 2015, 93,725,280 C Shares converted into Shares. Each holder of C Shares received 0.781044 Shares for every C Share held by him/her;
 - (h) on 27 October 2015, 26,274,720 C Shares were redeemed by the Company; and
 - (i) on 12 February 2016, 14,074,075 Shares were issued by the Company at a price of 135 pence per Share.
- 2.2 Save as set out in paragraph 2.1(h) above, the Company has not repurchased or redeemed any shares since its incorporation and no Shares are held in treasury.
- 2.3 By ordinary and special resolutions passed on 21 March 2013, the Directors were given authority to issue up to 210,189,573 Shares on a pre-emptive basis. Such authority will expire at the conclusion of, and renewal of such authority will be sought at, the third annual general meeting of the Company.
- 2.4 By ordinary and special resolutions passed on 3 December 2015:
- (a) the Company was authorised in accordance with Section 701 of the Companies Act to make market purchases (within the meaning of Section 693(4) of the Companies Act) of Shares provided that the maximum number of Shares authorised to be purchased is 16,475,573 Shares (equivalent to 14.99 per cent. of the Shares in issue as at 30 September 2015). The minimum price which may be paid for a Share is one pence. The maximum price which may be paid for a Share must not be more than the higher of (i) 105 per cent. above the average of the mid-market value of the Shares for the five Business Days before the purchase is made or (ii) the higher of the last independent trade and the highest current independent bid for Shares. Such authority will expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2016 and 31 December 2016 save that the Company may contract to purchase Shares

under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Shares in pursuance of such contract; and

- (b) a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.
- 2.5 By ordinary and special resolutions passed on 27 April 2016 the Directors have authority to issue up to 65,000,000 Shares on a non-pre-emptive basis pursuant to the Placing Programme, such authority to expire on 6 May 2017 (unless previously renewed, varied or revoked by the Company in general meeting).
- 2.6 In accordance with the power granted to the Directors by the Articles, it is expected that the Placing Shares to be issued pursuant to the Placing Programme will be allotted (conditionally upon the relevant Admission) pursuant to a resolution of the Board to be passed shortly before the relevant Admission in accordance with the Companies Act.
- 2.7 The provisions of Section 561(1) of the Companies Act (which, to the extent not dis-applied pursuant to Sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent dis-applied as mentioned in paragraphs 2.3 and 2.5 above.
- 2.8 The Companies Act abolished the requirement for companies incorporated in England and Wales to have an authorised share capital. Furthermore, the Articles do not contain a provision expressly limiting the number of shares that can be issued by the Company.
- 2.9 Save as disclosed in this paragraph 2, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and no such issue is now proposed.
- 2.10 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.
- 2.11 All of the Placing Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.

3 INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

- 3.1 Insofar as is known to the Company, the interests of each Director (including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party) in the share capital of the Company as at the date of this document are:

Director	Number of Shares	% of issued share capital
Robert Peto*	41,714	0.019
Malcolm Naish	31,286	0.014
Peter Dunscombe	52,144	0.024
Marlene Wood	7,810	0.004

**The legal and beneficial interest in 50 per cent. of Mr. Peto's Shares are held by Mr. Peto's spouse.*

- 3.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The 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 Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.

- 3.3 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. As at 1 July 2015, save for the Chairman of the Board, each Director receives £28,000 per annum. The Chairman receives £34,000 per annum. An additional payment of £3,000 is made to the chairman of the audit committee. The 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 Directors in respect of the Company's accounting period ended on 30 June 2015 were £101,000.
- 3.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 3.5 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 3.6 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.
- 3.7 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company and the Subsidiaries) or memberships of administrative, management or supervisory bodies and/or partnerships and its wholly owned subsidiaries:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Robert Peto	DTZ Investment Management Limited Lend Lease Europe GP Limited Bath and West Enterprises Limited Base2stay Developments Limited Nadler Hotels Limited The Nadler Kensington Limited The Nadler Soho Limited The Nadler Victoria Limited Standard Life Investments Property Income Trust Limited Standard Life Investments Property Holdings Limited DTZ IM (SPFS) Limited Mactaggart Heritable Limited Western Heritable Limited Nadler Holdings Limited Standard Life Investment SLIPIT (General Partner) Limited Standard Life Investments (SLIPIT) Limited Partnership Standard Life Investments (SLIPIT Nominee) Limited Ceres Court Properties Limited Cushman & Wakefield Corporate Finance Limited	Mactaggart Heritable Holdings Limited Western Heritable Investment Company Limited
Malcolm Naish	Aurora Europe General Partner Limited Ground Rents Income Fund plc Mapledurham Glade Management Company Limited Target Healthcare REIT Limited The Charities Property Fund Greenwich Hospital Canal and River Trust and DEFRA GE Common Investment Fund (DTZ Investment Management Ltd)	SWAMF (GP) Limited SWAMF Nominee (1) Limited SWAMF Nominee (2) Limited SWIP & CWI Luxembourg (No. 1) Management Company S.À.R.L. SWIP & CWI Luxembourg (No.1) Holding Company S.À.R.L. SWIP Holdings (Luxembourg) S.À.R.L. SWIP Islamic SICAV SWIP (Luxembourg) S.A.R.L.

<i>Name</i>	<i>Current</i>	<i>Previous</i>
		Pace Trustees Limited (DTZ Investment Management Ltd)
Peter Dunscombe	Sarda House (Freehold) Limited Sarda House Management Company Limited Murray International Trust plc The Pensions Trust St James Place plc Reed Elsevier Pension Fund Nuffield Foundation Hg Capital Trust plc	The Private Equity Investors Association BBC (Monkswood Nominee) Limited
Marlene Wood	One Parent Families Scotland 2010 Finance Limited Edinburgh Printmakers Limited Scottish Funding Council	Sanderson Bros. (Engineering) Limited (members' voluntary liquidation – dissolved 15/03/12)

3.8 The Directors in the five years before the date of this document:

- (a) do not have any convictions in relation to fraudulent offences;
- (b) have not been 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) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been 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.

3.9 As at the date of this document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

3.10 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

3.11 So far as is known to the Company by virtue of the notifications made pursuant to the Disclosure and Transparency Rules, as at the Latest Practicable Date the following persons hold directly or indirectly three per cent. or more of the Company's voting rights:

	Number of Shares	% of issued share capital
Bank of Montreal	25,064,101	11.51
CCLA Investment Management Ltd	21,430,788	9.84
Old Mutual plc	15,244,727	7.00
Investec Wealth and Investment Limited	12,050,466	5.54

3.12 All Shareholders have the same voting rights in respect of the share capital of the Company.

3.13 As at the date of this document, the Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

3.14 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

4 THE ARTICLES

In addition to the rights of the holders of the Shares, which are summarised in Part 1 of this document, this paragraph 4 contains a summary of the provisions of the Articles.

4.1 **Objects/purposes**

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

4.2 **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 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.

4.3 **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 twelve 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 twelve 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.

4.4 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 also required to propose the Continuation Resolution (i) at the fifth annual general meeting of the Company; and (ii) at each third annual general meeting of the Company thereafter.
- (c) If the Continuation Resolution is not passed, the Directors are required to put proposals for the reconstruction, reorganisation or winding up of the Company to the shareholders for their approval.

4.5 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. Securities Exchange Act 1934 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. Securities Exchange Act 1934; 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 4.5(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.

4.6 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.

4.7 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.

4.8 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; or
 - (ii) at least five members having the right to vote on the resolution; or
 - (iii) a member or members representing not less than five 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).

4.9 **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.

4.10 **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.
- (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.

4.11 General

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.

4.12 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 £200,000 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.

4.13 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.

4.14 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 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.

4.15 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.

4.16 Directors' appointment and retirement

- (a) Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation.
- (b) At each annual general meeting of the Company, any Directors appointed by the Board since the last annual general meeting shall retire. In addition one-third of the remaining Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation. If there are fewer than three such Directors, one Director shall retire from office.
- (c) At each annual general meeting, any Director who was last elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. If the number of Directors so retiring is less than the minimum number of Directors who are required to retire by rotation, additional Directors up to that number shall retire (namely, those Directors who are subject to rotation but who wish to retire and not offer themselves for re-election and those Directors who have been Directors longest since their appointment or last reappointment (and, as between those who have been in office an equal length of time, those to retire shall, unless they otherwise agree, be determined by lot)).
- (d) Any Director who would not otherwise be required to retire shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting and shall not be taken into account when deciding which and how many Directors should retire by rotation at the annual general meeting.

4.17 Notice requiring disclosure of interest in shares

- (a) The Company may, by notice in writing, 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.

4.18 Untraced shareholders

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for twelve years who fails to communicate with the Company following advertisement of an intention to make such a disposal. 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.

4.19 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).

4.20 REIT provisions

A summary of the REIT provisions included in the Articles is set out in paragraph 3 of Part 6 of this document.

5 CITY CODE ON TAKEOVERS AND MERGERS

5.1 Mandatory bid

The City Code applies to the Company. Under Rule 9 of the City Code, if:

- 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
- 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 twelve months.

5.2 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 them of their 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.

6 MATERIAL CONTRACTS OF THE GROUP

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Group in the two years immediately preceding the date of this document and which are, or may be, material or contain any provision under which the Group has any obligation or entitlement which is or may be material to it as at the date of this document:

6.1 The Placing Agreement

The Placing Agreement dated 29 April 2016 between the Company, the Investment Manager and Stifel, pursuant to which, Stifel has agreed to use its reasonable endeavours to procure Placees and the Investment Manager has agreed, *inter alia*, to use its reasonable endeavours to make introductions to potential Placees, each on the terms and subject to the conditions set out in the Placing Agreement.

Under the Placing Agreement, the Company has agreed to pay Stifel and the Investment Manager certain fees and also aggregate commissions equal to £160,000 and 1.5 per cent. of the gross proceeds raised from each Placing under the Placing Programme.

Stifel will be paid from such fees and commissions set out above, a fee of £30,000 for the provision of corporate finance services and a placing commission of 1.20 per cent. of the gross proceeds raised from each Placing under the Placing Programme, together with any applicable VAT. Pursuant to the Placing Agreement, Stifel may rebate any part of its commissions and fees to third parties.

The Investment Manager will be paid from the fees and commissions set out above a fee of £130,000 in connection with the provision of transaction management and documentation services and a commission of 0.30 per cent. of the gross proceeds raised from each Placing under the Placing Programme, together with any applicable VAT, in connection with marketing and investor introduction services. The Investment Manager has appointed Highland Capital Partners to assist it with its marketing and investor introduction services and will pay any fees due to Highland Capital Partners out of the fees it receives from the Company.

The Placing Agreement contains warranties given by the Company and the Investment Manager to Stifel as to the accuracy of the information contained in this document and other matters relating to the Company and its business, and also contains indemnities given by the Company and the Investment Manager to Stifel and indemnities given by the Company to the Investment Manager, each in a form customary for this type of agreement. Stifel is entitled to terminate the Placing Agreement in certain specified circumstances.

The Placing Agreement is governed by the laws of England and Wales.

6.2 Pricoa Facility Agreement

Pursuant to the facility agreement dated 25 September 2015 and made between, amongst others, GCP Holdco Limited (the “**Borrower**”), the parties listed therein as guarantors (together with the Borrower the “**Obligors**”) and The Prudential Insurance Company of

America (as arranger, agent, security trustee and original lender) (the “**Lender**”) (the “**Pricoa Facility Agreement**”) the Lender has made available to the Borrower a term loan facility of up to £130,000,000 (the “**Pricoa Loan**”).

The purpose of the Pricoa Loan was/is to (1) refinance certain properties, (2) finance the acquisition of Scape Shoreditch, (3) pay for fees, costs and expenses in connection with the Pricoa Facility Agreement and (4) be used by the Borrower for its working capital/or and general purposes.

The Pricoa Loan is repayable on 30 September 2024 (the “**Repayment Date**”).

Subject to the terms of the Pricoa Facility Agreement, interest is payable on the Pricoa Loan for each interest period at the percentage rate per annum equal to the greater of (i) the aggregate of the margin (being 1.34 per cent. per annum) and the relevant LIBOR swap rate or (ii) 3.02 per cent per annum. The interest payment dates are 20 February, 20 May, 20 August and 20 November and the Repayment Date.

The Pricoa Loan Agreement contains undertakings, representations and warranties customary for a loan of this nature, including:

- (a) a negative pledge not to create or allow to exist any security interest on any assets of the Obligors (this restriction is subject to certain customary exemptions);
- (b) restrictions on the disposal of assets (this restriction is subject to certain customary exemptions); and
- (c) financial covenants concerning loan-to-value and interest service cover.

The Pricoa Loan Agreement includes various events of default customary for a secured facility of this nature, including insolvency events of default. An event of default that is continuing would entitle the Lender to:

- (a) cancel all or part of the total commitments under the Pricoa Loan; and/or
- (b) declare that all or part of the amounts outstanding under the finance documents be immediately due and payable; and/or
- (c) declare that all or part of the Pricoa Loan be payable on demand; and/or
- (d) take or direct the Lender (in its capacity as security trustee) to exercise any or all of the rights, remedies, powers or discretions of the finance parties under the finance documents.

The Pricoa Loan is secured by:

- (a) each first ranking debenture over the assets of an Obligor in favour of the Lender as security trustee;
- (b) each share charge granted in favour of the Lender as security trustee over the entire issued share capital of the Borrower and each guarantor incorporated under English law;
- (c) each share security interest agreement in favour of the Lender as security trustee granting security over the shares of an Obligor under the Pricoa Facility Agreement incorporated in Guernsey;
- (d) each security interest agreement governed by Guernsey law in favour of the Lender as security trustee granted by an Obligor;
- (e) each subordinated debt security assignment granted by a subordinated creditor (as such term is defined in the Pricoa Facility Agreement) in favour of the Lender as security trustee; and
- (f) each receivables security interest agreement governed by Guernsey law granted by an Obligor in favour of the Lender as security trustee.

The Pricoa Loan Agreement is governed and construed in accordance with English law.

6.3 **Forward Purchase Agreement**

The Forward Purchase Agreement dated 14 April 2016 between Danehurst The Pad 3 Limited, GCP RHUL 2 Limited and the Company pursuant to which the Group committed to acquire the Forward Purchase Asset subject to the fulfilment of certain conditions and the Company agreed to guarantee the performance by GCP RHUL 2 Limited of its obligations under the agreement.

The Group is required to acquire the Forward Purchase Asset when, amongst other things, building works have been completed and the development has achieved lettings of 75 per cent. or more of its study bedrooms.

The purchase price to be paid by the Group for the Forward Purchase Asset is based on a multiple of the net income of the Forward Purchase Asset at such time as the development achieves lettings of 75 per cent. or more of its study bedrooms assuming full occupancy. In the event that the development is not fully occupied, the consideration attributable to the net income shortfall will be deducted from the purchase price and held as a retention in an escrow account and on any such unoccupied rooms being let in the relevant academic year, monies will be released to the seller from the retention accordingly.

Pursuant to the terms of the Forward Purchase Agreement, subject to certain exceptions, completion of the acquisition of the Forward Purchase Asset shall take place 30 Business Days after satisfaction of all of the conditions referred to in the Forward Purchase Agreement and subject to an extension of time of 12 months for GCP RHUL 2 Limited to obtain satisfactory funding.

The Forward Purchase Agreement is governed by the laws of England and Wales.

6.4 **The Investment Management Agreement**

The Investment Management Agreement dated 12 April 2013 and amended and restated on 1 April 2014, 26 January 2015, 29 May 2015 and 25 September 2015 between the Company and the Investment Manager pursuant to which the Investment Manager was appointed as the investment manager to the Company and as the Company's AIFM for the purposes of AIFMD.

Under the Investment Management Agreement, the Investment Manager provides certain investment management services, including recommending and regularly reviewing the Company's investment policy, making investment recommendations to the Board, identifying potential investments for the Company and performing and/or procuring all due diligence in relation to potential investments for the Company. The Company is under no obligation to follow the Investment Manager's advice.

In addition, the Investment Manager is responsible, *inter alia*, for the following:

- maintaining a website showing, *inter alia*, the NAV from time to time of the Shares;
- presenting to meetings of the Board in relation to: (i) performance of existing projects; and (ii) opportunities in relation to new projects;
- monitoring the financial and property market generally;
- maintaining, in conjunction with the Administrator, complete, up to date and accurate accounting records of the Company and submitting such to the Company on a quarterly basis in such form so as to enable the Administrator to calculate the NAV per Share; and
- conducting investor relationship management activities, including making presentations to existing and potential investors and intermediaries.

The Investment Management Agreement is terminable by the Company on not less than 12 months' written notice to the Investment Manager at any time, such notice to expire no earlier than six years from 21 September 2015, and is terminable by the Investment Manager on not less than 12 months' written notice to the Company at any time, such notice to expire no earlier than 31 October 2025. If the ordinary resolution to continue the Company's business as presently constituted, to be proposed at the fifth annual general meeting of the Company in 2018, is not passed, then the Investment Management Agreement will be terminable upon twenty four months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager.

If any key person of the Investment Manager providing services to the Company should die or otherwise become incapacitated or shall retire, resign or otherwise cease to provide services to the Company, the Investment Manager shall have 30 business days to nominate an individual with significant relevant experience as a replacement for approval by the Company and the Company, in its absolute discretion, shall approve or decline the nomination

within ten business days. If the Company declines the nomination to replace two successive key persons, the Company may terminate the Investment Management Agreement on giving 60 business days written notice to the Investment Manager.

The Investment Manager is entitled to receive from the Company, in respect of its services provided under the Investment Management Agreement, a management fee payable quarterly in arrears calculated at an annual rate of one per cent. of the prevailing NAV. The Investment Manager, is also entitled to a fee in relation to its services provided to the Company in its role as the Company's AIFM comprising: (a) a fee of £15,000 per annum, paid quarterly within 5 Business Days of the publication of the relevant quarter NAV such fee to automatically increase on 1 January each year at the rate of the RPI prevailing at that time; and (b) a fee of £7,500 per annum, paid quarterly within 5 Business Days of the publication of the relevant quarter NAV such fee to be reviewed on 1 September in each year in respect of any increase to be paid in the subsequent year.

The Investment Manager will not, in the absence of fraud, negligence or wilful default on its part or on the part of its employees, be liable for any loss, damage, cost, claim or expenses sustained or suffered by the Company as a result, or in the course of, the discharge of its duties pursuant to the Investment Management Agreement. In addition, the Company has agreed to indemnify the Investment Manager and its employees from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence, or wilful default on the part of the Investment Manager or its employees) incurred in performing their obligations or duties pursuant to the Investment Management Agreement.

The Investment Manager or any associate of the Investment Manager or any directors, officers, employees, agents and affiliates of any of them (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Company, including with regard to the allocation of investment opportunities to different clients. Whenever such conflicts arise, the Investment Manager shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated, fairly. Each such conflict will be fully disclosed to the Company by the Investment Manager provided that such disclosure does not breach the rules of the FCA.

Neither the Investment Manager nor, *inter alia*, any employee of the Investment Manager, may (while the Investment Management Agreement is in force) without the express prior written consent of the Company act as the adviser, manager or sponsor of any fund or entity that may invest in assets within the scope of the Company's investment policy or engage in any activity which may compete in the same or substantially similar investment area as the Company without the Company's consent.

The Investment Manager will, subject to such insurance being available in the market at commercial rates, maintain, at the cost of the Company, professional indemnity insurance to cover each and every professional liability which may arise under the Investment Management Agreement, with a limit of indemnity of not less than £5 million in aggregate. This professional indemnity insurance will be maintained for a period expiring not less than six years after the winding up of the Company or the termination of the Investment Management Agreement, whichever is the earlier.

The Investment Management Agreement is governed by the laws of England and Wales.

6.5 The placing and offer agreement in relation to an open offer, placing and offer for subscription of C shares ("2015 Issue")

The placing and offer agreement dated 29 May 2015 between the Company, the Investment Manager and Cenkos Securities plc ("**Cenkos**"), pursuant to which, subject to certain conditions, Cenkos agreed to use reasonable endeavours to procure subscribers for C shares of one pence each in the capital of the Company ("**C Shares**") at a price of 100 pence per C Share.

The placing and offer agreement was terminable by Cenkos in certain customary circumstances. The Company appointed Cenkos as financial adviser and placing agent to the Company in connection with the 2015 Issue.

In consideration for its services in relation to the 2015 Issue, Cenkos was paid a corporate finance fee and a commission of 1.5 per cent. of the gross proceeds raised pursuant to the 2015 Issue.

The Company and the Investment Manager gave warranties to Cenkos concerning, *inter alia*, the accuracy of the information contained in the prospectus published by the Company in connection with the 2015 Issue. The Company and the Investment Manager also gave indemnities to Cenkos. The warranties and indemnities given by the Company and the Investment Manager were standard for an agreement of the nature of the placing and offer agreement.

The placing and offer agreement was governed by the laws of England and Wales.

6.6 Placing and offer agreement in relation to an open offer, placing and offer for subscription of the Company (“2014 Issue”)

The placing and offer agreement dated 30 April 2014 between the Company, the Investment Manager and Cenkos pursuant to which, subject to certain conditions, Cenkos agreed to use reasonable endeavours to procure subscribers for Shares at a price of 105.5 pence per Share.

The Company appointed Cenkos as financial adviser and placing agent to the Company in connection with the 2014 Issue.

In consideration for its services, Cenkos was paid a corporate finance fee of up to £200,000 and a commission of up to two per cent. of the gross proceeds raised by the Company pursuant to the 2014 Issue.

The Company and the Investment Manager gave warranties to Cenkos concerning, *inter alia*, the accuracy of the information contained in the Company’s prospectus published in connection with the 2014 Issue. The Company and the Investment Manager also gave indemnities to Cenkos. The warranties and indemnities given by the Company and the Investment Manager were standard for an agreement of this nature.

The placing and offer agreement is governed by the laws of England and Wales.

6.7 Placing and offer agreement in relation to the initial public offering of the Company

The placing and offer agreement dated 12 April 2013 between the Company, the Investment Manager and Cenkos, pursuant to which, subject to certain conditions, Cenkos agreed to use reasonable endeavours to procure subscribers for Shares at the Company’s launch.

In consideration for its services, Cenkos was paid a corporate finance fee of up to £200,000 and a commission of up to two per cent. of the gross proceeds raised by the Company at its launch.

The Company and the Investment Manager gave warranties to Cenkos concerning, *inter alia*, the accuracy of the information contained in the Company’s prospectus published in connection with its launch. The Company and the Investment Manager also gave indemnities to Cenkos. The warranties and indemnities given by the Company and the Investment Manager were standard for an agreement of this nature.

The placing and offer agreement is governed by the laws of England and Wales.

6.8 The Pipeline Agreement

The Pipeline Agreement dated 12 April 2013 between Scape Student Living and the Company pursuant to which Scape Student Living has undertaken to use its reasonable endeavours to procure that the owner or owners of the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and branded under the ‘Scape Student Living’ brand enter into right of first offer agreements in respect of such assets as soon as practicable following completion of their practical completion.

Under the agreement, each party has limited termination rights for material breach and insolvency of the other party.

The Pipeline Agreement is governed by the laws of England and Wales.

6.9 The Administration Agreement

The Administration Agreement dated 12 April 2013 between the Company and Capita Sinclair Henderson Limited pursuant to which the Administrator agreed to act as administrator to the Company.

Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee of £75,000 per annum (exclusive of VAT).

The Administration 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 Administration Agreement except to the extent that any such claims have resulted from the negligence, fraud, breach of the Administration Agreement or wilful default of any such person. Further, the liability of the Administrator to the Company under the Administration Agreement is limited (with certain exceptions) to £1,000,000.

The Administration Agreement is terminable, *inter alia*, upon six months' written notice. The Administration Agreement is also terminable 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 Agreement (where such breach has not been remedied within sixty days of written notice being given).

The Administration Agreement is governed by the laws of England and Wales.

6.10 The Secretary Agreement

The Secretary Agreement dated 10 April 2013 (varied by an addendum agreement dated 3 December 2013) between the Company and Capita pursuant to which the Secretary has been appointed to act as secretary to the Company.

Capita is entitled to a company secretarial fee of £60,000 per annum (exclusive of VAT).

The Secretary Agreement contains provisions whereby the Company indemnifies and holds harmless Capita, 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 Secretary Agreement and, in addition, any third party claims relating to or arising from or in connection with the Secretary Agreement or the services contemplated therein except to the extent that any such claims have resulted from the negligence, fraud, breach of the Secretary Agreement or wilful default of any such person. Further, the liability of Capita to the Company under the Secretary Agreement is limited (with certain exceptions) to the lesser of (a) £1,000,000 and (b) an amount equal to ten times the annual fee paid to the Secretary thereunder.

The Secretary Agreement is terminable, *inter alia*, upon six months' written notice. The Secretary Agreement is also terminable immediately upon the occurrence of certain events including the insolvency of the Company or the Secretary or a party committing a material breach of the Secretary Agreement (where such breach has not been remedied within 45 days of written notice being given).

The Secretary Agreement is governed by the laws of England and Wales.

6.11 The Registrar Agreement

The Registrar Agreement dated 12 April 2013 between the Company and Capita Asset Services pursuant to which the Registrar has agreed to act as registrar to the Company.

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.70 per Shareholder account per annum, subject to a minimum fee of £5,156 per annum (exclusive of VAT) thereafter. The fee is subject to increase in line with the RPI. The Registrar is also entitled to activity fees under the Registrar Agreement.

The Registrar Agreement may be terminated on six months' notice and is also terminable on three months' notice in the event of breach of the agreement (which has not been remedied within 45 days' written notice of such breach) 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 liability under the Registrar Agreement is limited (with certain exceptions) to the lesser of (a) £1,000,000 and (b) an amount equal to ten times the annual fee paid to the Registrar thereunder.

The Registrar Agreement is governed by the laws of England and Wales.

6.12 The Depositary Agreement

The Depositary Agreement dated 22 July 2014 was entered into between the Company, the Investment Manager and Langham Hall UK LLP and subsequently novated from Langham Hall UK LLP to Langham Hall UK Depositary LLP on 23 April 2015 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 Custody Assets and the Non-custody Assets of the Company entrusted to it (which it shall hold on trust for the Company); and (iii) the oversight and supervision of the Investment Manager and the Company.

Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of £44,000 per annum (exclusive of VAT). The fee will be increased in line with RPI on 1 January in each year. 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 and/or the Investment Manager or the Depositary giving to the other not less than six months' written notice. The Depositary Agreement may be terminated with immediate effect by either the Company, the Investment Manager or the Depositary on the occurrence of certain events, including *inter alia*: (i) if the other party has committed a material breach of the terms of the Depositary Agreement and where such breach is capable of being remedied, shall not have been remedied within 30 days after service in writing requiring the same to be remedied; or (ii) in the case of insolvency of either the Depositary, the Investment Manager or 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.

7 RELATED PARTY TRANSACTIONS

Save for entry into the Investment Management Agreement, the Company has not entered into any related party transaction at any time during the period from incorporation to the Latest Practicable Date.

8 LITIGATION

There were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the twelve months immediately preceding the date of this document which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

9 WORKING CAPITAL

The Company is of the opinion that, after taking into account existing available facilities to the Group, the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months from the date of this document.

10 NO SIGNIFICANT CHANGE

Save to the extent disclosed below, as at the date of this document, there has been no significant change in the financial or trading position of the Company or the Group subsequent to the period covered by the historical financial information.

On 3 February 2016, GCP WL Limited, a new wholly owned subsidiary of the Company, was incorporated and on 15 February 2015 the Company acquired Water Lane Apartments for approximately £18.3 million.

The independent Valuer completed a valuation of the Company's property portfolio as at 31 March 2016. Pursuant to such valuation, the independent Valuer valued the Company's property portfolio at £420.3 million compared to the valuation of £400.5 million as at 31 December 2015.

On 13 April 2016, GCP RHUL 2 Limited, a new wholly owned subsidiary of the Company was incorporated and on 14 April 2016, GCP RHUL 2 Limited entered into the Forward Purchase Agreement.

The Company has declared and paid on 4 March 2016 a second interim dividend of 1.41 pence per Share in respect of the period ended 31 December 2015. The Company has also declared a third interim dividend of 1.41 pence per Share in respect of the period ended 31 March 2016. The third interim dividend will be paid on 6 June 2016.

11 EMPLOYEES

As at the Latest Practicable Date, the Group employed 83 persons.

12 GENERAL

- 12.1 No Director has any interest in the promotion of, or in any property acquired or proposed to be acquired by, the Company.
- 12.2 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than the London Stock Exchange (Specialist Fund Segment) (being the exchange on which the Shares are currently traded).
- 12.3 Stifel is acting as financial adviser and placing agent to the Placing Programme. Stifel 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.
- 12.4 Ernst & Young LLP of 25 Churchill Place, Canary Wharf, London E14 5EY are the reporting accountants and statutory auditor of the Group and have been the only auditors of the Company since its incorporation. Ernst & Young LLP is a member of the Institute of Chartered Accountants of England and Wales. Ernst & Young LLP holds no Shares in the Company and has no right to subscribe (or to nominate any person to subscribe) for Shares.
- 12.5 The Valuer 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 report for the purposes of Prospectus Rule 5.5.3R(2)(c). The Valuer accepts responsibility for the Valuation. To the best of the knowledge and belief of the Valuer (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 does not omit anything likely to affect the import of such information. The Valuer was incorporated in England and Wales on 3 November 2003 under the Limited Liability Partnership Act 2000 (registered number OC305934). The Valuer holds no Shares in the Company and has no right to subscribe (or to nominate any person to subscribe) for Shares.
- 12.6 The Company confirms that there has been no material change in the valuation of the Company's properties since the date of the Valuation Report.
- 12.7 The Company's current properties are, and future properties will be, held via subsidiaries of the Company. No custodian, trustee or other fiduciary is appointed in respect of the Company's properties.
- 12.8 The Investment Manager 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 they appear.
- 12.9 Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document 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.

13 AVAILABILITY OF THIS DOCUMENT

Copies of this document are available, for inspection only from the date of this document from the National Storage Mechanism (www.morningstar.co.uk/uk/nsm) and may be obtained from the date of this document until the Final Closing Date from the registered office of the Company.

14 DOCUMENTS AVAILABLE FOR INSPECTION

14.1 Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the Final Closing Date:

- (a) the memorandum of association of the Company and the Articles;
- (b) the Valuation Report;
- (c) the consolidated financial statements of the Group for the financial period from incorporation to 30 June 2014;
- (d) the consolidated financial statements of the Group for the financial period from 1 July 2014 to 30 June 2015;
- (e) the half-yearly report and the consolidated financial statements for the financial period from 1 July 2014 to 31 December 2014;
- (f) the half-yearly report and the consolidated financial statements for the financial period from 1 July 2015 to 31 December 2015; and
- (g) this document.

Dated: 29 April 2016

PART 8

DEFINITIONS AND GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

Administration Agreement	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 6.9 of Part 7 of this document
Administrator	Capita Sinclair Henderson Limited, in its capacity as the Company's administrator
Admission	any admission of the Placing Shares to be issued pursuant to the Placing Programme to trading on the London Stock Exchange (Specialist Fund Segment)
AIC	Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance
AIC Guide	the AIC Corporate Governance Guide for Investment Companies
AIFM	an alternative investment fund manager
AIFMD	Directive 2011/61/EU on Alternative Investment Fund Managers
Articles	the articles of association of the Company
Asset and Facilities Managers	Scape Student Living, CRM and Collegiate
Asset and Facilities Management Agreements	the Scape Agreements, the CRM Agreements and the Collegiate Agreement and Asset and Facilities Management Agreement shall be construed accordingly
Business Day	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
Capita Asset Services	a trading name of Capita Registrars Limited
capital gains tax or CGT	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
certificated or in certificated form	not in uncertificated form
City Code	the City Code on Takeovers and Mergers
COB Rules	the Conduct of Business Rules contained in the FCA Handbook
Collegiate	Collegiate Accommodation Consulting Limited
Collegiate Agreement	the agreement between GCP WL Limited and Collegiate dated 16 December 2014 in relation to the provision of asset and facilities management services in respect of Water Lane Apartments
Companies Act or Act	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
Company	GCP Student Living plc
Continuation Resolution	has the meaning given to it in paragraph 15 of Part 1 of this document
CREST Manual	the compendium of documents entitled "CREST Manual" issued by Euroclear from time-to-time
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CRM	Corporate Residential Management Limited
CRM Agreements	the asset and facilities management agreements between, amongst others, GCP RHUL Limited and CRM dated 3 December 2013 and 30 September 2015 respectively
CRM Students	a trading name of Corporate Residential Management Limited

CRS	the Common Reporting Standard developed by the OECD, as implemented by the International Tax Compliance Regulations 2015
CTA 2010	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
Custody Assets	(i) all financial instruments which are not capable of being physically delivered to the Depositary but that can be registered or held in an account directly or indirectly in the name of the Depositary and are transferable securities including those which embed derivatives, money market instruments or units of collective investment undertakings; and (ii) all financial instruments belonging to the Company or the Investment Manager acting on its behalf, which are capable of being physically delivered to the Depositary
Depositary	Langham Hall UK Depositary LLP, in its capacity as the Company's depositary
Depositary Agreement	the depositary agreement between the Company, the Investment Manager and the Depositary, a summary of which is set out in paragraph 6.12 of Part 7 of this document
Directors, Board of Directors or Board	the board of directors of the Company
direct let agreements	direct leases and/or licences for a dwelling with students
Disclosure and Transparency Rules	the disclosure and transparency rules made by the Financial Conduct Authority under Section 73A of FSMA
Distribution	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
Distribution Transfer	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
Distribution Transfer Certificate	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
ERISA	U.S. Employee Retirement Income Security Act of 1976, as amended
EU	the European Union
Euro	the lawful currency of the EU
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
Excess Charge	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
FATCA	the Foreign Account Tax Compliance Act and regulations and laws relating thereto
FCA	the Financial Conduct Authority

Final Closing Date	28 April 2017, or such earlier date or time at which the maximum number of Placing Shares to be issued pursuant to the Placing Programme have been issued
Forward Purchase Agreement	the agreement dated 14 April 2016 between Danehurst The Pad 3 Limited, GCP RHUL 2 Limited and the Company pursuant to which the Group committed to acquire the Forward Purchase Asset subject to the fulfilment of certain conditions
Forward Purchase Asset	the freehold property situated at Middle Hill, Egham, Surrey TW20 0JG and comprising Sandy Lodge, The Cedars and Ingle Cottage
FRI	full repairing and insuring
FSL	the Financial Services (Jersey) Law 1998, as amended
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
general meeting	a general meeting of Shareholders
Group	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010
Gross Assets	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
Gross Proceeds	the gross proceeds of the Placing Programme
hard nominations agreement	a long term marketing arrangement with an HEI to place their students in private accommodation, typically of between 2 and 30 years in duration
HEI	higher education institute
HMRC	Her Majesty's Revenue and Customs
IFRS	international financial reporting standards
Initial Asset Partners	Stephen Ellis, Nick Parker, Tom Ward, Rollo Wright, Ronan Kierans, Adam Brockley, Paul Williams, Edward Andrews, Robert Austin, Peter Copley, Nigel Taeae and Chris Taeae, being the ultimate beneficial owners of Mile End Investment Limited Partnership
interest in the Company	includes, without limitation, an interest in a Distribution made or to be made by the Company
INTO	INTO University Partnership Limited
Investment Management Agreement	the investment management agreement dated 12 April 2013 and amended and restated on 1 April 2014, 26 January 2015, 29 May 2015 and on 25 September 2015 between the Company and the Investment Manager, a summary of which is set out in paragraph 6.4 of Part 7 of this document
Investment Manager	Gravis Capital Partners LLP
IPO Admission	the admission of 70,100,001 Shares to trading on the London Stock Exchange (Specialist Fund Segment) which took place on 20 May 2013
ISA	a UK individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
ISIN	International Securities Identification Number
Latest Practicable Date	27 April 2016 (the latest practicable date prior to the publication of this document)
let	the grant of a lease or licence to occupy

LIBOR	the London Interbank Offered Rate
Listing Rules	the listing rules made by the UK Listing Authority under section 73A of FSMA
London Stock Exchange or LSE member account ID	London Stock Exchange plc the identification code or number attached to any member account in CREST
MAR	EU Market Abuse Regulation (594/2014)
Model Code	the Model Code for directors' dealings contained in the Listing Rules
Multiple Dwelling Relief	a tax relief pursuant to which the rate of SDLT is fixed by reference to the average consideration for multiple purchases of dwellings rather than the aggregate consideration
NAV	the value, as at any date, of the assets of the Company less its total liabilities (excluding the impact of interest rate hedging contracts and the mark to market valuation of the Group's debt) valued in accordance with the accounting policies adopted by the Company from time to time
NAV per Share	at any time, the NAV attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury)
net initial yield	the annual rent from a property divided by the combined total of its acquisition price and expenses (which include, among other factors, legal fees, surveys, debt breakage costs and any applicable SDLT)
Non-Custody Assets	assets which, in accordance with applicable national law, are only directly registered in the name of the Group with the issuer itself as agent, such as a registrar or a transfer agent
Non-PID Dividend	a distribution by the Company which is not a PID
OECD	the Organisation for Economic Co-operation and Development
Overseas Person	a potential investor who is not resident in, or who is not a citizen of, the UK
PID or Property Income Distribution	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
Pipeline Agreement	the agreement dated 12 April 2013 between Scape Student Living and the Company pursuant to which Scape Student Living has undertaken to use its reasonable endeavours to procure that the owner or owners of the next two student residential property developments to be developed, managed or operated by Scape Student Living or any of its affiliates and branded under the 'Scape Student Living' brand enter into right of first offer agreements in respect of such assets as soon as practicable following completion of their practical completion
Placee	a person subscribing for Shares under the Placing Programme
Placing	any placing of Placing Shares under the Placing Programme
Placing Agreement	the placing agreement between the Company, the Investment Manager and Stifel, a summary of which is set out in paragraph 6.1 of Part 7 of this document
Placing Programme	the proposed programme of placings of up to 65 million Shares, as described in this Prospectus
Placing Price	the price per Placing Share determined in accordance with the terms of the Placing Programme set out in this document

Placing Shares	Shares to be issued pursuant to the Placing Programme
Pricoa	Prudential Insurance Company of America
Pricoa Debt Facility	the debt facility made available to the Group under the terms of the Pricoa Facility Agreement
Pricoa Facility Agreement	the agreement between, <i>inter alia</i> , the Company and Pricoa dated 25 September 2015 setting out the terms of the Pricoa Debt Facility, a summary of which is set out in paragraph 6.2 of Part 7 of this document
Property Rental Business	as defined in section 519 of CTA 2010
Prospectus Directive	the EU Prospectus Directive 2003/71/EC
Prospectus Rules	the prospectus rules made by the Financial Conduct Authority under Section 73A of FSMA
Register	the register of members of the Company
Registrar	Capita Asset Services in its capacity as the Company's registrar
Registrar Agreement	the registrar agreement between the Company and the Registrar dated 12 April 2013, a summary of which is set out in paragraph 6.11 of Part 7 of this document
Regulation S	Regulation S promulgated under the U.S. Securities Act
Regulatory Information Service	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
REIT or Real Estate Investment Trust	a Real Estate Investment Trust as defined in Part 12 of the CTA 2010
Relevant Member State	a member state of the European Economic Area which has implemented the Prospectus Directive
Relevant Registered Shareholder	a Shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder)
Reporting Obligation	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
Residual Business	that part of the business of companies within a REIT that is not part of the Property Rental Business
RICS	Royal Institution of Chartered Surveyors
RPI	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
Scape Agreements	the asset and facilities management agreements entered into with Scape Student Living in relation to each of the Scape Properties
Scape East	the student residential property comprising 588 dwellings, teaching facilities and restaurants at 438 – 490 Mile End Road, London E1 4PE known as "Scape East"
Scape Greenwich	the student residential property comprising 280 dwellings, at Bear Point, 2 East Parkside, Greenwich, London SE10 0FQ known as "Scape Greenwich"
Scape Properties	Scape East, Scape Greenwich, Scape Shoreditch and Scape Surrey
Scape Shoreditch	the student residential property comprising 541 dwellings and commercial space at 41 Brunswick Place, London, N1 6DX known as "Scape Shoreditch"
Scape Student Living	Scape Student Living Limited

Scape Surrey	the student residential property comprising 141 dwellings known as Scape Surrey, Walnut Tree Close, Guildford GU1 4UD
SDLT	stamp duty land tax
SDRT	Stamp Duty Reserve Tax, a transaction tax on certain electronic paperless transactions in the shares of UK companies
Secretary	Capita Company Secretarial Services Limited, in its capacity as the Company's secretary
Secretary Agreement	the secretary agreement between the Company and the Secretary dated 10 April 2013, a summary of which is set out in paragraph 6.10 of Part 7 of this document
Shareholder	a holder of Shares
Shares	ordinary shares of one pence each in the capital of the Company having the rights and being subject to the restrictions set out in the Articles
SIPP	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
soft nominations agreement	a <i>pari passu</i> marketing arrangement with an HEI to place their students in private accommodation
Specialist Fund Segment	the Specialist Fund Segment of the London Stock Exchange
SSAS	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
Sterling or £	the lawful currency of the United Kingdom
Stifel	Stifel Nicolaus Europe Limited
Subsidiaries	Ternion (Danehurst) Limited, GCP Scape East Limited, GCP Operations Limited, Leopard Guernsey Greenwich JV Limited, Leopard Guernsey Greenwich Limited, Leopard Guernsey Greenwich 2 Limited, GCP RHUL Limited, GCP RHUL 2 Limited, GCP SG Limited, GCP Topco Limited, GCP Holdco Limited, Old Street Acquisitions Limited, Leopard Guernsey Old Street Limited, Leopard Guernsey Old Street 2 Limited and GCP WL Limited
Substantial Shareholder	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
Substantial Shareholding	the Shares in relation to which or by virtue of which (in whole or in part) a person is a Substantial Shareholder
Takeover Code	the UK City Code on Takeovers and Mergers
The Pad	the student residential properties at 57, 59 and 71 Egham Hill, Egham known as "The Pad"
The Pad 1	the student residential property at 71 Egham Hill, Egham
The Pad 2	the student residential property at 57 and 59 Egham Hill, Egham
UCAS	the Universities and Colleges Admissions Service
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time

UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
UK Money Laundering Regulations	the UK Money Laundering Regulations 2007, as amended
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States of America, United States, US or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Tax Code	U.S. Internal Revenue Code, as amended
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
U.S.\$ or \$	the lawful currency of the United States of America
Valuation Report	the valuation report prepared by the Valuer in relation to the Scape Properties, The Pad and Water Lane Apartments, as set out at Part 5 of this document
Valuer	Knight Frank LLP, in its capacity as the Company's valuer
VAT	value added tax
Water Lane Apartments	the property at Water Lane Apartments, Bristol, BS1 6HS, known as "Water Lane Apartments"

PART 9

TERMS AND CONDITIONS OF THE PLACING PROGRAMME

1 INTRODUCTION

- 1.1 Placing Shares are available under the Placing Programme at the relevant Placing Price. The Placing Shares will, when issued and fully paid, include the right to receive dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2 Each Placee which confirms its agreement (whether orally or in writing) to Stifel to subscribe for Placing Shares under the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.3 The Company and/or Stifel may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a “**Placing Letter**”).

2 AGREEMENT TO SUBSCRIBE FOR PLACING SHARES

- 2.1 A Placee agrees to become a member of the Company and agrees to subscribe for those Placing Shares allocated to it by Stifel at the relevant Placing Price, conditional on:
 - (a) Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment being in place;
 - (b) the Placing Price being not less than the prevailing NAV per Share at the time of allotment together with a premium intended to at least cover the costs and expenses of the relevant placing of Shares (including, without limitation, any placing commissions);
 - (c) the Company having a placing agreement or equivalent arrangement in place at the time of the issue;
 - (d) a valid supplementary prospectus being published by the Company when required; and
 - (e) Admission of the Placing Shares issued pursuant to the allotment.
- 2.2 In circumstances where these conditions are not fully met, the relevant issue of Placing Shares pursuant to the Placing Programme will not take place.
- 2.3 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.
- 2.4 There is no minimum or maximum subscription.

3 PAYMENT FOR PLACING SHARES

- 3.1 Each Placee must pay the relevant Placing Price for the Placing Shares issued to the Placee in such manner and by the time directed by Stifel. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee’s application for Placing Shares may, at the discretion of Stifel, either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply.
- 3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant Placing Price for the Placing Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Stifel elects to accept that Placee’s application, Stifel may sell all or any of the Placing Shares allocated to the Placee on such Placee’s behalf and retain from the proceeds, for Stifel’s own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee’s behalf.

4 REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Placing Shares, each Placee which enters into a commitment to subscribe for Placing Shares will (for itself and any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Investment Manager, Stifel and the Registrar that:

- 4.1 in agreeing to subscribe for Placing Shares under the Placing Programme, it is relying solely on this document and any supplementary prospectus issued by the Company 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 Programme. It agrees that none of the Company, the Investment Manager, Stifel or the Registrar, nor any of their respective officers, agents employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Placing Shares under the Placing Programme, it warrants that it has 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 its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, Investment Manager, Stifel or the Registrar 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 the United Kingdom in connection with the Placing Programme;
- 4.3 it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Placing Shares on the terms and subject to the conditions set out in this Part 9 and the Articles as in force at the date of Admission of the relevant Shares;
- 4.4 it has not relied on Stifel or any person affiliated with Stifel in connection with any investigation of the accuracy of any information contained in this document;
- 4.5 it acknowledges that the content of this document is exclusively the responsibility of the Company and its Directors and neither Stifel nor any person acting on their respective behalf nor any of its respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document 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 Programme based on any information, representation or statement contained in this document or otherwise;
- 4.6 it acknowledges that no person is authorised in connection with the Placing Programme to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager or Stifel;
- 4.7 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 of the Finance Act 1986 (depository receipts and clearance services);
- 4.8 if it is within the United Kingdom, it is (i) a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Placing Shares may otherwise lawfully be offered under such Order or (ii) is a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook;
- 4.9 if it is a resident in the EEA (other than the United Kingdom): (a) it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive; and (b) if that Relevant Member State has implemented the AIFMD, that it is a person to whom the Placing Shares may lawfully be marketed under the AIFMD or under the applicable implementing legislation (if any) of that Relevant Member State;

- 4.10 if it is within the Bailiwick of Guernsey, it is a person licensed under any of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended);
- 4.11 in the case of any Placing Shares acquired by a Placee as a financial intermediary within the EEA (other than the United Kingdom) as that term is used in Article 3(2) of the Prospectus Directive: (a) the Placing Shares acquired by it in the Placing Programme 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 2010 PD Amending Directive, or in circumstances in which the prior consent of Stifel has been given to the offer or resale; or (b) where Placing 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 having been made to such persons;
- 4.12 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no document is being issued by Stifel in connection with the Placing Programme in its capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- 4.13 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving, the United Kingdom;
- 4.14 it is aware of the provisions of the Criminal Justice Act 1993 regarding insider dealing, section 118 of FSMA and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- 4.15 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Shares or possession of this document (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.16 that, save in the event of fraud on the part of Stifel, neither Stifel, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to such Placee or any of its clients for any matter arising out of Stifel's role as financial adviser or otherwise in connection with the Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law such Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which such investor or any of its clients may have in respect thereof;
- 4.17 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.18 in the event that a supplementary prospectus is required to be produced pursuant to section 87G of FSMA and in the event that it chooses to exercise any right of withdrawal pursuant to section 87(Q)(4) of FSMA, such Placee will immediately re-subscribe for the Shares previously comprising its Placing commitment;
- 4.19 the commitment to subscribe for Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Placing Programme and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing Programme;
- 4.20 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 Placing Shares and it is not acting on a non-discretionary basis for any such person;

- 4.21 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Placing Shares under the Placing Programme and will not be any such person on the date any such agreement to subscribe under the Placing Programme is accepted;
- 4.22 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Placing Programme or the Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.23 it acknowledges that neither Stifel nor any of its 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 Programme or providing any advice in relation to the Placing Programme and participation in the Placing Programme is on the basis that it is not and will not be a client of Stifel and that Stifel does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing Programme nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Placing Programme;
- 4.24 it acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (a) to subscribe for the Placing Shares for each such account; (b) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (c) to receive on behalf of each such account any documentation relating to the Placing Programme in the form provided by the Company and/or Stifel. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- 4.25 it irrevocably appoints any director of the Company and any director of Stifel 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 Placing Shares for which it has given a commitment under the Placing Programme, in the event of its own failure to do so;
- 4.26 it accepts that if the Placing Programme does not proceed or the conditions to the Placing Agreement are not satisfied or the Placing Shares for which valid applications are received and accepted are not admitted to trading on the London Stock Exchange (Specialist Fund Segment) for any reason whatsoever then neither Stifel, nor the Investment Manager, 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;
- 4.27 in connection with its participation in the Placing Programme it has observed all relevant legislation and regulations;
- 4.28 it acknowledges that Stifel 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 it;
- 4.29 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Stifel 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 warranties made or deemed to have been made by its subscription of the Placing Shares are no longer accurate, it shall promptly notify Stifel and the Company;
- 4.30 where it or any person acting on behalf of it is dealing with Stifel, any money held in an account with Stifel 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 Stifel to segregate such money, as that money will be held by Stifel under a banking relationship and not as trustee;
- 4.31 any of its clients, whether or not identified to Stifel, will remain its sole responsibility and will not become clients of Stifel for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;

- 4.32 it accepts that the allocation of Placing Shares shall be determined by Stifel in its absolute discretion (in consultation with the Company and the Investment Manager) and that Stifel may scale down any commitments for this purpose on such basis as it may determine; and
- 4.33 time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Placing Programme.

5 UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

- 5.1 By participating in the Placing Programme, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Manager, the Registrar and Stifel that:
- (a) it is not a U.S. Person, is not located in the United States and it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the Shares for the account or benefit of a U.S. Person;
 - (b) 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 absent registration or an exemption from registration under the U.S. Securities Act;
 - (c) 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, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
 - (d) unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (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 US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax 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 US Tax Code. In addition, if a Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the Placing Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
 - (e) if any Placing Shares offered and sold pursuant to Regulation S are issued 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:

“GCP STUDENT LIVING PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. 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, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE US INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE

EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT ARE SUBJECT TO PART 4 OF TITLE I OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”);

- (f) if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of any Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which: (a) will not require the Company to register under the U.S. Investment Company Act; and (b) will not result in the assets of the Company constituting “plan assets” within the meaning of ERISA, that are subject to Part 4 of Title I of ERISA or Section 4975 of the Internal Revenue Code. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
 - (g) it is purchasing the Placing 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;
 - (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person’s status under U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under U.S. securities laws to transfer such Shares or interests in accordance with the Articles;
 - (i) it acknowledges and understands the Company is required to comply with FATCA and the CRS and that the Company will follow FATCA’s and/or the CRS’s extensive reporting and withholding requirements. The Placee agrees to provide the Company at the time or times prescribed by applicable law and at such time or times reasonably requested by the Company such information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA and the CRS;
 - (j) it is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Placing Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager, the Registrar, Stifel or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing Programme or its acceptance of participation in the Placing Programme;
 - (k) it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Placing Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
 - (l) if it is acquiring any Placing Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- 5.2 The Company, the Investment Manager, the Registrar, Stifel and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.
- 5.3 If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company and Stifel.

6 MONEY LAUNDERING

Each Placee acknowledges and agrees that:

- 6.1 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: (a) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (b) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the “**Money Laundering Directive**”); or (c) 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; and
- 6.2 due to anti-money laundering requirements, Stifel and the Company 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, Stifel and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Stifel and the Company 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.

7 THE DATA PROTECTION ACT

- 7.1 Each Placee acknowledges and agrees that, 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. Personal data may be retained on record for a period exceeding six years after it is no longer used. The Registrar will only use such information for the purposes set out below (collectively, the “**Purposes**”), being to:
 - (a) process its personal data (including sensitive personal data) as required by or in connection with its holding of Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (b) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Shares;
 - (c) provide personal data to such third parties as the Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Shares or as the DP Act may require, including to third parties outside the EEA;
 - (d) without limitation, provide such personal data to the Company or the Investment Manager and their respective associates for processing, notwithstanding that any such party may be outside the EEA; and
 - (e) process its personal data for the Registrar’s internal administration.
- 7.2 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 its Registrar of any personal data relating to them in the manner described above. In providing the Registrar with information, it hereby represents and warrants to the Registrar that it has obtained the consent of any data subject to the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 7).

8 SUPPLY AND DISCLOSURE OF INFORMATION

If Stifel, the Registrar or the Company or any of their agents request any information about a Placee’s agreement to subscribe for Placing Shares under the Placing Programme, such Placee must promptly disclose it to them.

9 NON UNITED KINGDOM INVESTORS

- 9.1 If the Placee is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to

subscribe for Placing Shares pursuant to the Placing Programme 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, qualification, publication or other regulatory or legal requirements.

- 9.2 The offer and sale of Placing Shares have not been, and will not be, registered under the applicable securities laws of the United States, Australia, Canada, the Republic of South Africa or Japan. The Placing Shares may not be offered, sold or delivered, directly or indirectly within the United States, Australia, Canada, the Republic of South Africa or Japan or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act) or to any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

10 MISCELLANEOUS

- 10.1 The rights and remedies of the Company, the Investment Manager, Stifel and the Registrar under these terms and conditions 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.
- 10.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 10.3 Each Placee agrees to be bound by the Articles once the Placing Shares, which the Placee has agreed to subscribe for pursuant to the Placing Programme, have been acquired by the Placee. The contract to subscribe for Placing Shares under the Placing Programme and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, Stifel and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives 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. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 10.4 In the case of a joint agreement to subscribe for Placing Shares under the Placing Programme, 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.
- 10.5 Stifel and the Company expressly reserve the right to modify the Placing Programme (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing Programme is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 6.1 of Part 7 of this document.

