

Pre-Investment Disclosure Document for LXi REIT plc (the "Company")

Dated: 8 July 2022

Chapter 3.2 of the Investment Funds sourcebook of the Financial Conduct Authority Handbook ("**FUND 3.2**") requires that AIFMs shall for each UK AIF that they market in the UK, make available to AIF investors, in line with the instrument constituting the fund, certain information before they invest in the AIF, as well as any material changes thereto.

Similarly, Articles 23(1) and (2) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the "**AIFMD**") require that AIFMs shall for each of the AIFs that they market in the EEA make available to AIF investors, in accordance with the AIF rules or instruments of incorporation, certain information before they invest in the AIF, as well as any material changes thereto.

This document is issued by Alvarium Fund Managers (UK) Limited (the "**AIFM**") solely in order to make available: (i) the information required by Articles 23(1) and (2) of the AIFMD/FUND 3.2 to be made available to investors before they invest in the Company; and (ii) certain required disclosures under EU Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**EU Sustainable Finance Disclosure Regulation**").

This document either contains that information or cross-refers to the relevant document available to investors that contains such information.

Defined terms used but not defined herein shall have the meaning given to them in the combined prospectus and circular relating to the Company dated 1 June 2022 (the "**Prospectus**").

REGULATORY REFERENCE		INFORMATION OR DOCUMENT AND REFERENCE
AIFMD Article 23(1)	FUND 3.2.2	
	(1)	
(a)	(a) a description of the investment strategy and objectives of the AIF;	Part 2 of the Prospectus under the heading "Investment objective" on page 61 and Part 1 of the Prospectus under the heading "Appendix - Proposed New Investment Policy" on pages 59 to 60. The new investment policy became effective on 6 July 2022.
(a)	(b) if the AIF is a feeder AIF, information on where the master AIF is established;	Not applicable
(a)	(c) if the AIF is a fund of funds, information on where the underlying funds are established;	Not applicable

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(a)	(d) a description of the types of assets in which the AIF may invest;	Part 1 of the Prospectus under the heading "Appendix - Proposed New Investment Policy" on pages 59 to 60. The new investment policy became effective on 6 July 2022.
(a)	(e) the investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ and all associated risks;	<p>The investment techniques are set out in Part 1 of the Prospectus under the heading "Appendix - Proposed New Investment Policy" on pages 59 to 60. The new investment policy became effective on 6 July 2022.</p> <p>The associated risks are set out in the section of the Prospectus titled "Risk Factors" under the heading "Risks relating to the Group" on pages 13 to 19.</p>
(a)	(f) any applicable investment restrictions;	Part 1 of the Prospectus under the heading "Investment restrictions" on page 59 (in the section headed "Appendix - Proposed New Investment Policy"). The new investment policy became effective on 6 July 2022.
(a)	(g) the circumstances in which the AIF may use leverage;	Part 1 of the Prospectus under the heading "Borrowing policy" on page 60 (in the section headed "Appendix - Proposed New Investment Policy"). The new investment policy became effective on 6 July 2022.
(a)	(h) the types and sources of leverage permitted and the associated risks;	<p>The types and sources of leverage permitted are set out in Part 1 of the Prospectus, under the heading "Investment policy", "Investment restrictions" and "Borrowing policy" on page 59 to 60 (in the section headed "Appendix - Proposed New Investment Policy"). The new investment policy became effective on 6 July 2022.</p> <p>The associated risks are set out in the section of the Prospectus titled "Risk Factors" under the heading "Availability of borrowings and the gearing effect of borrowing can work against as well as for Shareholders" on page 15 and "The Group's use of derivative instruments may expose the Company to greater risk" on page 17.</p>
(a)	(i) any restrictions on the use of leverage and any collateral and asset reuse arrangements; and	Part 1 of the Prospectus, under the heading "Investment policy" and "Borrowing policy" on page 59 to 60 (in the section headed "Appendix - Proposed New Investment Policy"). The new investment policy became effective on 6 July 2022.

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		There are no collateral and asset reuse arrangements.
(a)	(j) the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF;	<p>Part 1 of the Prospectus, under the heading "Borrowing policy" on page 60 (in the section headed "Appendix - Proposed New Investment Policy"). The new investment policy became effective on 6 July 2022.</p> <p>The AIFMD/Financial Conduct Authority Handbook define leverage as the exposure an AIF has through borrowing of cash securities and any leverage embedded in derivative positions. The UK version of Commission delegated regulation (EU) No 231/2013, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended), prescribes two methods of measuring and expressing leverage and requires disclosure of the maximum amount of leverage the Company might be subject to: the commitment method and the gross method. The commitment method allows certain positions to be netted off to reflect "netting" and "hedging arrangements". The Company has set the following leverage limit: 200% on both a gross and commitment basis.</p>
(b)	(2) a description of the procedures by which the AIF may change its investment strategy or investment policy, or both;	<p>Part 1 of the Prospectus, under the heading "Investment policy" on pages 59 to 60 (in the section headed "Appendix - Proposed New Investment Policy"). The new investment policy became effective on 6 July 2022.</p> <p>No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution at any general meeting, which will also be notified by an RIS announcement.</p>
(c)	(3) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any	<p>Implications of the contractual relationship entered into for the purpose of investment</p> <p>While investors acquire an interest in the Company on subscribing for the Company's shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, shareholders have no direct legal or beneficial interest in those investments. The</p>

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<p>legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established;</p>	<p>liability of shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the shares held by them.</p> <p>Shareholders' rights in respect of their investment in the Company are governed by the Company's Articles of Association and the Companies Act 2006. The Articles of Association set out the respective rights and restrictions attaching to the Company's shares. Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its Articles of Association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such shareholder should consult its own legal advisers.</p> <p>Jurisdiction and applicable law</p> <p>As noted above, shareholders' rights are governed principally by the Articles of Association and the Companies Act 2006. By subscribing for shares, investors agree to be bound by the Articles of Association which is governed by, and construed in accordance with, the laws of England and Wales.</p> <p>Recognition and enforcement of foreign judgments</p> <p>The choice of English law to govern any agreement will not displace mandatory rules of law applicable in another jurisdiction with which the relevant transaction is otherwise solely connected or in which a dispute is being adjudicated and may not be recognised or upheld by the English courts where to do so would be inconsistent with Regulation (EC) No. 593/2008 of 17 June 2008 on the law applicable to contractual obligations (Rome I) or Regulation (EC) No. 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II) insofar as</p>

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		<p>those Regulations have effect as retained direct EU legislation.</p> <p>The English courts may be required to or may decline jurisdiction in the circumstances set out in the Hague Convention on Choice of Court Agreements as incorporated into English law by the Civil Jurisdiction and Judgments Act 1982.</p>
(d)	(4) the identity of the AIFM, the AIF's depositary, the auditor and any other service providers and a description of their duties and the investors' rights;	<p>The duties of the AIFM are set out at paragraph 15 of Part 2 and paragraph 11.11 of Part 9 of the Prospectus.</p> <p>Alvarium Fund Managers (UK) Limited is the Company's AIFM with responsibility for portfolio management and risk management of the Company's investments.</p> <p>The duties of the depositary are set out at paragraph 11.18 of Part 9 of the Prospectus. Langham Hall UK Depositary LLP ("Langham Hall") has been appointed to carry out the AIFMD depositary functions of cash monitoring (described in FUND 3.11.20/article 21(7) of the AIFMD), safekeeping of financial instruments (described in FUND 3.11.21/article 21(8)(a) of the AIFMD), safekeeping of assets that are not financial instruments (described in FUND 3.11.23/article 21(8)(b) of the AIFMD) and oversight (described in FUND 3.11.25/article 21(9) of the AIFMD).</p> <p>The identity of the auditors is set out on page 37 of the Prospectus. The auditors to the Company are BDO LLP.</p> <p>The duties of the company secretary are set out at paragraph 11.16 of Part 9 and at paragraph 16 of Part 2 of the Prospectus.</p> <p>The duties of the administrator are set out at paragraph 16 of Part 2 of the Prospectus. Langham Hall UK Services LLP is appointed to provide general administrative functions, such as the publication of the Net Asset Value and maintenance of the Company's accounting and statutory records.</p>

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		<p>The duties of the registrar are set out at paragraph 16 of Part 2 of the Prospectus. Link Market Services Limited is appointed as the Company's registrar.</p> <p>Absent a direct contractual relationship between a Shareholder and a service provider to the Company, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against the relevant service provider. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Company by the relevant service provider is, prima facie, the Company itself.</p>
(e)	(5) a description of how the AIFM complies with the requirements referred to in IPRU-INV 11.3.11G (Professional liability risks);	To cover potential professional liability risks resulting from the activities the AIFM may carry out in relation to the Company, the AIFM will hold professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.
	(6) a description of:	
(f)	(a) any AIFM management function delegated by the AIFM;	Not applicable. No AIFM management function has been delegated by the AIFM.
(f)	(b) any safe-keeping function delegated by the depositary;	The Depositary may delegate its safe-keeping functions in relation to financial instruments and other assets of the Company. As at the date of this document, the Depositary has not delegated these functions.
(f)	(c) the identity of each delegate appointed in accordance with FUND 3.10 (Delegation); and	Not applicable. No AIFM management function has been delegated by the AIFM.
(f)	(d) any conflicts of interest that may arise from such delegations;	Not applicable. No AIFM management function has been delegated by the AIFM.
(g)	(7) a description of the AIF's valuation procedure and of the	Valuations of the Company's properties are conducted on a semi-annual basis as at 31 March

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	pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in line with FUND 3.9 (Valuation);	<p>and 30 September in each year. The valuations of the Company's properties will be at fair value as determined by the Valuer on the basis of market value in accordance with the internationally accepted RICS Appraisal and Valuation Standards.</p> <p>Details of each semi-annual valuation, and of any suspension in the making of such valuations, will be announced by the Company via a Regulatory Information Service announcement as soon as practicable after the relevant valuation date.</p> <p>The NAV and EPRA NTA (together with the NAV per LXi Share and EPRA NTA per LXi Share) are calculated on a semi-annual basis by the Administrator (and reviewed by the Company). Details of each valuation, and of any suspension in the making of such valuations, are notified by an RIS announcement as soon as practicable after the end of the relevant period. The semi-annual valuations of the NAV and EPRA NTA (and NAV per LXi Share) are calculated on the basis of the most recent semi-annual independent valuation of the Company's properties.</p>
(h)	(8) a description of the AIF's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors;	<p>The AIFM has a liquidity management policy in relation to the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity which is appropriate to the Company's obligations.</p> <p>Shareholders do not have a right for their LXi Shares to be redeemed.</p>
(i)	(9) a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors;	<p>Part 2 of the Prospectus under the heading "Fees and expenses" on pages 78 to 80 sets out all fees, charges and expenses.</p> <p>Following completion of the Merger with Secure Income REIT plc on 6 July 2022, the Investment Advisor's fees are governed by the Amended and Restated Investment Advisory Agreement, as described in paragraph 17.2 on page 79.</p> <p>The expenses and fees which will be borne by the Company and its investors are limited as set out</p>

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		in that section, but there is no formal cap on the level of those expenses.
(j)	(10) a description of how the AIFM ensures a fair treatment of investors;	The AIFM will treat all of the Company's investors fairly and will not allow any investor to obtain preferential treatment, unless such treatment is appropriately disclosed.
	(11) whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of:	
(j)	(a) that preferential treatment;	No investor currently obtains preferential treatment or the right to obtain preferential treatment.
(j)	(b) the type of investors who obtain such preferential treatment; and	No investor currently obtains preferential treatment or the right to obtain preferential treatment.
(j)	(c) where relevant, their legal or economic links with the AIF or AIFM;	No investor currently obtains preferential treatment or the right to obtain preferential treatment.
(l)	(12) the procedure and conditions for the issue and sale of units or shares;	<p>The Company's shares may be purchased and sold on the main market of the London Stock Exchange.</p> <p>New shares may be issued at a premium to net asset value, at the Board's discretion and providing relevant shareholder issuance authorities are in place.</p> <p>While the Company will typically have shareholder authority to buy back shares, shareholders do not have the right to have their shares purchased by the Company.</p>
(m)	(13) the latest net asset value of the AIF or the latest market price of the unit or share of the AIF, in line with FUND 3.9 (Valuation);	The NAV and EPRA NTA (together with the NAV per LXi Share and EPRA NTA per LXi Share) are calculated in sterling by the Administrator on a semi-annual basis. Such calculations shall be published through a Regulatory Information Service and will be available through the Company's website.

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(k)	(14) the latest annual report, in line with FUND 3.3 (Annual report of an AIF);	<p>The annual report and accounts of the Company will be made up to 31 March in each year with a copy being made available to shareholders on the Company's website within the following four months.</p> <p>The Company also publishes unaudited half-yearly reports to 30 September. Copies of the unaudited half-yearly reports are also made available on the Company's website within the following three months.</p>
(n)	(15) where available, the historical performance of the AIF;	The Company's historical performance data, including copies of the Company's latest annual report and accounts will be made available on the Company's website.
	(16)	
(o)	(a) the identity of the prime brokerage firm;	Not applicable.
(o)	(b) a description of any material arrangements of the AIF with its prime brokerage firm and the way any conflicts of interest are managed;	Not applicable.
(o)	(c) the provision in the contract with the depository on the possibility of transfer and reuse of AIF assets; and	Neither Langham Hall nor any sub-custodian appointed by it has any right of re-use in respect of the Company's assets.
(o)	(d) information about any transfer of liability to the prime brokerage firm that may exist; and	Not applicable.
(p)	(17) a description of how and when the information required under FUND 3.2.5 R and FUND 3.2.6 R will be disclosed.	<p>Under FUND 3.2.5 R, the AIFM must disclose to investors periodically:</p> <ul style="list-style-type: none"> (1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature; (2) any new arrangements for managing the liquidity of the Company; and (3) the current risk profile of the Company and the risk management

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	<p>systems employed by the AIFM to manage those risks.</p> <p>The information shall be disclosed as part of the Company's periodic reporting to investors and, at a minimum, at the same time as the Company's annual report is made available.</p> <p>Under FUND 3.2.6 R, the AIFM must disclose on a regular basis:</p> <ul style="list-style-type: none"> (1) any changes to: <ul style="list-style-type: none"> (a) the maximum level of leverage that the AIFM may employ on behalf of the Company; and (b) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and (2) the total amount of leverage employed by the Company. <p>Information on changes to the maximum level of leverage and any right of re-use of collateral or any guarantee under the leveraging arrangements shall be provided without undue delay by issuing an announcement via a Regulatory Information Service. Such information will also be published in the Company's annual report and audited accounts.</p> <p>Information on the total amount of leverage employed by the Company shall be published in the Company's annual report and audited accounts.</p> <p>Without limitation to the generality of the foregoing, any information required under FUND 3.2.5 R and FUND 3.2.6 R may be disclosed (a) in the Company's annual report, (b) in factsheets that are available on the Company's website, (c) by the Company issuing an announcement via a Regulatory Information Service or (d) by the Company publishing the relevant information on the Company's website.</p>

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AIFMD Article 23(2)	FUND 3.2.3	
23(2)	(1) An AIFM must inform investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability, in accordance with regulation 30 of the AIFMD UK Regulation.	Langham Hall has entered into an arrangement to contractually discharge itself of liability in accordance with Regulations 31 and 32 of the Alternative Investment Fund Managers Regulations 2013 (which replicate Articles 21(13) and 21(14) of the AIFMD).
23(2)	(2) The AIFM must also inform investors without delay of any changes with respect to depositary liability.	Without limitation, Shareholders may be informed (a) in the Company's annual report, (b) in factsheets that are available on the Company's website, (c) by the Company issuing an announcement via a Regulatory Information Service or (d) by the Company publishing the relevant information on the Company's website.

EU Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "EU Sustainable Finance Disclosure Regulation")

The AIFM has determined that the Company is not subject to Article 8(1), 9(1), 9(2) or 9(3) of the EU Sustainable Finance Disclosure Regulation. Accordingly, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Article 6 Disclosures

The AIFM integrates sustainability risks (as defined in the EU Sustainable Finance Disclosure Regulation) into its investment decisions. There is a risk that the future value of properties in the Company's portfolio may be adversely affected by issues of sustainability and the AIFM has systems in place to enable it to monitor and manage these risks as part of its overall approach to risk management. The AIFM has appointed the Investment Advisor to conduct due diligence in relation to the potential acquisition of properties on behalf of the Company/AIFM. As part of the due diligence, the Investment Advisor will assess sustainability risks. These risks will be considered as part of the AIFM oversight and assessment of proposed property acquisitions.

Where appropriate, specialist consultants are engaged to evaluate the sustainable characteristics of properties as part of pre-acquisition due diligence, identifying risks to future financial performance. To the extent that this due diligence underestimates or fails to identify such risks (including any environmental risks) associated with the property in question, the Company may be exposed to liabilities that may not be covered by indemnities or insurance, or may be unable to obtain necessary permits or permissions, which may have a material adverse effect on the Company's profitability, its NAV and the price of the LXi Shares.

The AIFM ensures that risks from sustainability-related issues are consistent with its defensive strategy for investing and reducing over-exposure to sustainability-related risks, both during asset allocation decisions and in the day-to-day management of the portfolio. The Investment Advisor identifies the cost of improvements that may be required, either to protect the future quality of an asset or as a result of statutory interventions and ensures that they are properly reflected in individual asset management plans. The Investment Advisor monitors the emerging impact of sustainability-related issues on values and will amend performance projections in the light of hard evidence as it emerges.

As part of its investment process, the Investment Advisor seeks to identify risks from the impacts of climate change (and climate change-related government policies) and develop mitigation strategies. In particular, the Investment Advisor identifies properties where there is a risk of losing income from existing tenants through migration to properties with better environmental qualities and quantifies the potential impact of lower-than-average tenant retention rates, longer voids and higher costs on projected income returns.

The AIFM recognises that some property is at risk of flooding and that, in some locations, the risk of flooding may worsen over time as a result of climate change-related issues. The Investment Advisor identifies which assets are at risk from flooding and forecasts the extent to which values may be compromised in order to ensure that the exposure of the Company is consistent with its appetite for risk. On acquiring new assets, the AIFM has regard both to the impact of flood issues on the future performance of each asset and its impact on the overall exposure of the Company as a whole to flood-related risks.

In addition to environmental risks, the Company's returns may also be impacted by social and governance risks, such as those arising from changes in laws or regulation. A description of the material risks that are relevant to the Company are set out in the section of the Prospectus headed "Risk Factors".

Disclaimer

This document is not being issued for any purpose other than to make certain, required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulations, the AIFM, the Investment Advisor, the Company and its Directors will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in shares in the Company. This document does not form a prospectus and is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its shares. Prospective investors should rely on their own professional advisers in relation to any investment they may make in the Company. Overseas investors should note that the distribution of this document in certain jurisdictions may be restricted and persons into whose possession this document comes are required to inform themselves about and observe such restrictions.