

Purpose

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

Product

Alpha Real Trust Limited (ORD NPV)
 ISIN: GB00B13VDP26
 Issued by Alpha Real Trust or the “Company” (www.alpharealtrustlimited.com)
 Call +44 (0)207 391 4700 for more information

31st December 2023

What is this product?

Type

Alpha Real Trust Limited is a closed-ended listed investment Company. Alpha Real Trust Limited’s (the “Company”) shares are traded on the Specialist Fund Segment (“SFS”) of the London Stock Exchange (“LSE”), ticker ARTL:LSE. The Company’s investment adviser is Alpha Real Capital LLP which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Objectives

The Company targets investment, development, financing and other opportunities in real estate, real estate operating companies and securities, real estate services, infrastructure, infrastructure services, other asset-backed businesses and related operations and services businesses that offer attractive risk-adjusted total returns.

The Company’s real estate investments may be held either directly or indirectly through joint venture or other investment structures, including equity, debt instruments, convertible loans and options or other securities. The Company may also hold positions in a concentrated number of assets or companies.

The Company focusses on asset-backed lending, debt investments and high return property investments in Western Europe that are capable of delivering strong risk adjusted cash flows.

The Company is currently focussed on risk managing its loan portfolio and opportunistically extending its wider investment strategy to target high return mezzanine and property investments offering inflation protection via index linked income adjustments and investments that have potential for capital gains.

Intended investor

Intended investors in the Company are asset and wealth managers, other institutional or sophisticated investors and private individuals. An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment. This Company is intended for investors who would like their investment to generate income, can afford to invest for at least 5 years and can bear significant changes to the value of their investment. Most investors will hold this investment as part of wider investment strategy which consists of a diverse variety of assets

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

Risk Indicator



The risk indicator assumes you keep the product for 5 years, but there is no recommended holding period. You may not be able to sell your shares easily or you may have to sell at a price that significantly impacts on how much you get back. The Company is traded on the Specialist Fund Segment (‘SFS’) of the London Stock Exchange which may have limited liquidity or larger than usual bid to offer spreads.

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

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

There is no risk of you incurring additional financial commitments or obligations beyond your initial investment, unless you use leverage through a broker margin account to purchase shares.

This Company does not include any protection from future market performance, so you could lose some or all of your investment. Shares in the Company do not afford capital protection against market risk.

Investment performance information

The main factors likely to affect future returns for investors include the general economic conditions in the United Kingdom and Western Europe, including prevailing levels of inflation and interest rates, together with significant exogenous events, such as a new global pandemic.

Specific risks impacting the portfolio returns may include the pricing for mezzanine debt and similar instruments, which may be strongly impacted by monetary policy and changing covenant profiles of the underlying counterparties.

The Company is not part of any index and does not have a benchmark or target.

Past performance is not a guarantee of future results.

What could affect my return positively?

The returns afforded to investors will ultimately be directly related to the share price performance of the Company and the dividend policy. The share price may reflect the underlying performance of the Company and that performance may be affected by the ability to deploy cash quickly and into suitable risk adjusted investments in accordance with the Objective. The Company currently pays a dividend although this may change period to period and is not guaranteed.

What could affect my return negatively?

On the contrary, the Company's share price may be adversely affected by general equity market conditions or where there is any failure of any material investment of the Company. Returns will also be affected should the dividend policy change.

Aside from the costs of the product itself, you may have additional fees to pay to your advisor or distributor. Your return can be also affected by your personal tax situation, which may also affect how much you may recover from the sale of your shares.

What if Alpha Real Trust is unable to pay out?

The Company is not required to make any payment to you in respect of your investment. If the Company were liquidated, you would be entitled to receive a distribution equal to your share of the Company's assets, after payment of all of its creditors. The Company's investment manager has no obligation to make any payment to you in respect of the ordinary shares. There is no compensation or guarantee scheme in place that applies to the Company and, if you invest in the Company, you should be prepared to assume the risk that you could lose all of your investment.

What are the costs?

Presentation of costs

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

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

Cost over time

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

Investment of £10,000

Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the recommended holding period
Total costs	£281.98	£845.94	£1,409.90
Impact on return (RIY) per year	2.82%	2.82%	2.82%

Composition of costs

This table shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period, as well as what the different costs categories mean.

One-off costs / Distribution costs	Entry costs	N/A	No entry or exit costs are payable to the Company or its Investment Adviser when you acquire ordinary shares, although you may be required to pay brokerage fees or commissions.
	Exit costs	N/A	
Ongoing costs	Portfolio transaction costs	0.12%*	The impact of the costs of us buying and selling underlying investments in the Company
	Other ongoing costs	2.58%	The impact of costs that we take each year for managing your investments. This includes all external professional fees including accounting and audit fees.
Incidental costs	Performance fees	0.12%	The impact of the performance fee. The Investment Manager is also entitled to receive an annual performance fee calculated with reference to total shareholder return ("TSR"), whereby the fee is 20% of any excess over an annualised TSR of 15% subject to a rolling three year high water mark.

*Please note in the review period, transaction costs are shown as modest as the transactions performed were primarily connected with advancing loans and in accordance with accounting policy the transaction costs arising are capitalised..

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

This product has no required minimum holding period, although five years have been used for the purposes of the calculations in this document. It is designed for long term investment with investors being able to sell their investment at will on the London Stock Exchange. Please note that if the value of your underlying investment has changed from the time your money was originally invested in the Company, you may not receive your full money back. To sell your investment, please speak to your financial adviser. Investments can be sold on any day that SFS is open for business.

How can I complain?

Information on how to complain is available at www.alpharealtrustlimited.com/contact. You can also contact the Investment Manager Alpha Real Capital LLP at Level 6, 338 Euston Road, London, NW1 3BG. If your complaint is not dealt with to your satisfaction, you can write to the Financial Ombudsman Service (FOS) at Exchange Tower, London, E14 9SR.

Other relevant information

Further documentation, including the Company's annual and semi-annual reports and regulatory disclosures, is available on the Company's website at <http://www.alpharealtrustlimited.com>. The cost, performance and risk calculations included in this KID follow the methodology prescribed by the FCA.

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Registered No: 44786

Alpha Real Trust Limited is advised by Alpha Real Capital LLP, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.