

## Alternative Investment Fund Managers Directive Fund 3.2.2R Disclosures

### Urban Logistics REIT plc (the "Company" or the "AIF")

The UK AIFM Regime requires certain disclosures to be made by non-UK fund managers, such as PCP2 Limited (the "AIFM"), when they market interests in an alternative investment fund to investors located in the United Kingdom.

In addition, the EU AIFM Directive imposes detailed and prescriptive obligations on fund managers established in the EEA (the "**Operative Provisions**"). These do not currently apply to fund managers established outside the EEA, such as the AIFM. Rather, non-EEA managers are only required to comply with certain disclosure, reporting and transparency obligations of the EU AIFM Directive (the "**Disclosure Provisions**") and, even then, only if the non-EEA manager markets shares in an alternative investment fund to EEA domiciled investors within the EEA. Where the Disclosure Provisions appear to require disclosure on an Operative Provision which does not apply to the Company, no meaningful disclosure can be made. These Operative Provisions include prescriptive rules on measuring and capping leverage in line with known European standards, the treatment of investors, liquidity management, the use of "depositaries" and cover for professional liability risks.

This document contains the information required to be made available to investors in the Company before they invest, pursuant to the requirements of the UK AIFM Regime and the EU AIFM Directive. Article 23 of the EU AIFM Directive has been implemented in the United Kingdom through Chapter 3.2 of the Investment Funds sourcebook of the Financial Conduct Authority Handbook ("**FUND 3.2**"). The table below sets out information required to be disclosed pursuant to the FUND 3.2 and the EU AIFM Directive and related national implementing measures. It is made available to investors in the Company by being made available on its website at <https://www.urbanlogisticsreit.com/investors/>.

This document is issued by the AIFM in its capacity as the alternative investment fund manager and investment manager of the Company and contains solely the information that the AIFM is required to make available to investors in the Company pursuant to Fund 3.2 and should not be relied upon as the basis for any investment decision.

This document contains either the information required by FUND 3.2 and the EU AIFM Directive or cross-refers to the Company's website or the relevant document available to investors that contains such information.

### **Important Information**

This document contains solely that information that the AIFM is required to make available to investors in the Company pursuant to the FUND 3.2 and the EU AIFM Directive and should not be relied upon as the basis for any investment decision. 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 Company and the AIFM will not be responsible to persons other than the Shareholders for their use of this document, nor will they be responsible to any person (including the Shareholders) for any use which they may make of this document other than to provide information to invest in the ordinary shares of £0.01 each in the capital of the Company ("**Ordinary Shares**").

This document does not purport to provide complete details of the Company and potential investors should not solely rely upon this document when determining whether to make an investment. This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Ordinary Shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it 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 Ordinary Shares.

The Company and the AIFM are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, the AIFM or any of their subsidiaries, affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other matters concerning the Company or an investment in Ordinary Shares.

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia, the Republic of South Africa or Japan.

The Company is not registered under the US Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act. Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or disposal of Shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Regulatory Reference	Disclosure Requirement	Disclosure or Location of Relevant Disclosure
<b>FUND 3.2.2R</b>		
1(a)	a description of the investment strategy and objectives of the AIF	<p><b>Investment Objective</b></p> <p>The Company's investment objective is to deliver investment returns through income, with regular dividends providing shareholders with a sustainable</p>

		<p>income stream that will grow over the medium term, and some targeted capital growth which the Company believes will enhance shareholders' total return over the long term</p> <p><b>Investing Policy</b></p> <p>The Company intends to achieve its investment objective by investing in and growing a diversified portfolio of primary and secondary grade industrial and logistics properties within the UK, and by engaging in active asset management to leverage and enhance returns.</p> <p>The Company invests in assets that comprise an interest in freehold or leasehold property (other than by way of security), which meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Single-let UK industrial or logistics properties;</li> <li>• Modern (typically post-1980) constructions; and</li> <li>• Average lot value across the portfolio at acquisition of less than £10 million;</li> </ul> <p>In addition, the Company will seek to invest in properties where it has the potential to:</p> <ul style="list-style-type: none"> <li>• Achieve rental growth and out-performance;</li> <li>• Agree strong tenant financial covenants;</li> <li>• Secure lease terms focusing on duration and rental growth; and</li> <li>• Benefit from positive geographical characteristics, including age and repair; location; building quality; site cover; transportation links; workforce availability; and internal operational efficiencies.</li> </ul> <p>The Company acquires properties in variety of ways, including direct from owners, through holdings or via SPVs and other vehicles.</p> <p>Investments will not be undertaken speculatively, although the Company may take options over adjacent land/property.</p>
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1(b)	if the AIF is a feeder AIF, information on where the master AIF is established	Not applicable. The Company is not a feeder AIF.
1(c)	if the AIF is a fund of funds, information on where the underlying funds are established	Not applicable. The Company is not a fund of funds.
1(d)	a description of the types of assets in which the AIF may invest	All acquisitions must satisfy the criteria set out on the Company's website at the following link:  <a href="https://www.urbanlogisticsreit.com/portfolio/investment-policy/">https://www.urbanlogisticsreit.com/portfolio/investment-policy/</a>
1(e)	the investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ and all associated risks	The Company's investment techniques are available on the Company's website at the following link:  <a href="https://www.urbanlogisticsreit.com/portfolio/investment-policy/">https://www.urbanlogisticsreit.com/portfolio/investment-policy/</a>  <b>Associated risks</b>  <ul style="list-style-type: none"> <li>• <b>A significant fall in the valuation of the Group's investment property portfolio</b> – An adverse change will have a negative impact on the Group's financial performance and may also lead to a breach in our banking covenants.</li> <li>• <b>Development projects not producing targeted financial returns due to increased construction costs and/or weakening occupational demand</b> – The Company's development projects provide an opportunity for outperformance and enhanced sustainability in exchange for slightly enhanced risk. An increase in construction costs or weakening occupational market may negatively impact underlying income and property values.</li> <li>• <b>Weakening macro-economic environment in sector in which we operate</b> – A downturn in economic conditions may impact the Group's performance by way of reduced rental income and in turn negatively affect property values.</li> <li>• <b>Inability to raise new money to develop the business</b> – If the Group is unable to raise further equity funding, it will inhibit its ability to pursue</li> </ul>

		<p>potential investment opportunities and develop out its existing pipeline.</p> <ul style="list-style-type: none"> <li>• <b>Loss of key personnel</b> – The Group places reliance on the AIFM's extensive experience within the logistics sector and on its ability to provide relevant information on a regular basis.</li> <li>• <b>Unforeseen event leading to possible business interruption – such as a notifiable disease or pandemic</b> – A notifiable disease or pandemic, including COVID-19, may have an adverse impact on tenants as well as investment, financial and occupier markets and affect the Group's abilities to achieve its business objectives.</li> <li>• <b>Cyber security attack</b> – A cyber security attack could lead to significant business disruption, loss of data and reputational damage.</li> <li>• <b>A breach of banking covenants</b> – A breach of our banking covenants may restrict the Group's ability to access further debt funding at appropriate rates.</li> <li>• <b>Tenant default</b> – A tenant default will result in reduced revenue for the Group and contribute to sub-optimal shareholder returns.</li> <li>• <b>The Group must comply with the UK REIT restrictions</b> – If the Group fails to comply with regulation, then the Group may lose its REIT status. Any failure will impact the Group's profitability and shareholder returns.</li> </ul>
1(f)	any applicable investment restrictions	<p>The Company is subject to all of the investment restrictions to which it is required to adhere to in order to maintain its listing on AIM, a market operated by the London Stock Exchange. The Company is also restricted by the types of property and situations in which it may invest and, as noted above, all acquisitions must satisfy the criteria set out on the Company's website at the following link:</p> <p><a href="https://www.urbanlogisticsreit.com/portfolio/investment-policy/">https://www.urbanlogisticsreit.com/portfolio/investment-policy/</a></p> <p>The Company invests and manages its assets with the objective of spreading risk through the following</p>

		<p>investment restrictions:</p> <ul style="list-style-type: none"> <li>• The Company will derive its rental income from a portfolio of not less than three properties;</li> <li>• Other than any investment properties requiring re-development, the Company will not invest in assets which are unoccupied or not producing income at the time of acquisition unless part of or less than, 10 per cent. of the Gross Asset Value;</li> <li>• 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; and</li> <li>• The Company will not invest in closed-ended investment companies.</li> </ul> <p>The directors of the Company currently intend, at all times, to conduct the affairs of the Group so as to enable it to qualify as a REIT for the purposes of Part 12 of the Corporation Tax Act 2010 (and the regulations made thereunder).</p>
1(g)	the circumstances in which the AIF may use leverage	The Company seeks to use gearing to enhance returns over the long-term and, in addition, seeks to fix its borrowing rates.
1(h)	the types and sources of leverage permitted and associated risks	<p>The Group may make use of borrowings. The Group's principal financing partners are Barclays, Santander, Lloyds and Aviva. The Group has a £151 million facility with Barclays, Santander and Lloyds banks and a £48 million facility with Aviva. Both facilities were fully drawn at 31 March 2021. Of the total debt facilities, as at 31 March 2021, 69% is hedged and the blended all in rate was c.2.50% (subject to movements in LIBOR). The Board continually reviews all budgetary information to ensure compliance with all banking covenants.</p> <p>The Company may invest through derivatives for efficient portfolio management. In particular, the Company may engage in interest rate hedging or similar instruments to mitigate the risk of interest rate increases.</p> <p><b>Associated risks</b></p> <ul style="list-style-type: none"> <li>• <b>A significant fall in the valuation of the Group's</b></li> </ul>

		<p><b>investment property portfolio</b> – An adverse change will have a negative impact on the Group's financial performance and may also lead to a breach in our banking covenants.</p> <ul style="list-style-type: none"> <li>• <b>A breach of banking covenants</b> – A breach of our banking covenants may restrict the Group's ability to access further debt funding at appropriate rates.</li> </ul>
1(i)	any restrictions on the use of leverage and any collateral and asset reuse arrangements	<p>The Company is not specifically restricted in this regard, save that gearing, represented by borrowings (but excluding, for the avoidance of doubt, any preference shares) as a percentage of gross assets, must not exceed 57.5 per cent. at the time of investment.</p> <p>The Company adopts a conservative approach to financing, and it is the Directors' current intention to target gearing of 30-40% of Gross Asset Value over the medium term, which is well within its banking covenants. The Directors also intend to comply with the REIT condition relating to the ratio between the Group's 'property profits' and 'property finance costs'. The Company continually reviews the Group's liquidity and gearing levels to ensure compliance with its target gearing of 30-40%.</p> <p>There are no collateral and asset reuse arrangements.</p>
1(j)	the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	Gearing, represented by borrowings (but excluding, for the avoidance of doubt, any preference shares) as a percentage of gross assets, must not exceed 57.5 per cent. at the time of investment.
(2)	a description of the procedures by which the AIF may change its investment strategy or investment policy, or both	<p>No material change will be made to the Company's investment objective or investing policy without the approval of shareholders by ordinary resolution, which will also be notified by a RIS announcement.</p> <p>Changes to the Group's strategic aims, business model and objectives require Board approval. The Board is responsible for the determination of the Company's investment policy and strategy and has overall responsibility for the Company's activities.</p>
(3)	a description of the main legal implications of the contractual relationship entered	Investors will acquire shares in the Company, which is a closed ended investment company limited by shares incorporated in England and Wales.

	<p>into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF is established</p>	<p>While investors acquire an interest in the Company on subscribing for or purchasing Ordinary 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 liability of Shareholders for the debt and other obligations of the Company is limited to the amount unpaid, if any, on the Ordinary Shares, as the case may be, held by them.</p> <p>Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Companies Act. 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 any 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><b>Jurisdiction and applicable law</b></p> <p>The jurisdiction and applicable law is the law and practice currently in force in England and Wales and are subject to changes therein.</p> <p>As noted above, Shareholders' rights are governed principally by the Articles and the Companies Act. By subscribing for Ordinary Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of England and Wales.</p> <p>Regulation (EC) 593/2008, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by UK domestic law including by the Jurisdiction, Judgments and Applicable Law (Amendment) (EU Exit) Regulations 2020, ("<b>UK Rome I</b>") must be applied in all member states of the European Union (other than Denmark) and the UK. Accordingly, where a matter comes before the courts of the relevant member state or the UK, the choice of governing law in any given agreement is subject to the provisions of UK Rome I. Under UK Rome I, the member state's or UK's court may apply any rule of that member state's or UK's</p>
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		<p>own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state or the UK. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that country which cannot be derogated from by agreement. As UK Rome I was adopted into UK law by the European Union (Withdrawal) Act 2018, English choice of law clauses in contracts continue to be respected both in the UK and the EU member states.</p> <p>The UK's accession to the Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters 2007 remains uncertain and consequently, foreign judgments obtained in EU member states relating to proceedings commenced on or after 1 January 2021 will only be enforceable under the default common law regime or (if applicable) the Hague Convention. The Hague Convention only applies to the enforcement of judgments that arise from proceedings commenced pursuant to an exclusive jurisdiction clause in favour of a contracting state in civil or commercial matters. The UK government has passed domestic legislation which came into force upon the expiry of the transition period (i.e. 31 December 2020). This legislation provides that exclusive jurisdiction clauses, which would have been caught by the Hague Convention by virtue of the UK's membership of the EU, will continue to be treated in exactly the same way as exclusive jurisdiction clauses concluded from the UK becoming a member of the Hague Convention in its own right.</p> <p>Investors should note, however, that there is no instrument in place for the recognition and enforcement of judgements between the United Kingdom and the US and accordingly, if an investor were to seek to have an order of a US court (irrespective of the state in which the order was obtained) recognised or enforced in the courts of England and Wales, the investor would need to rely on the laws of England and Wales and may therefore find it difficult in practice to enforce a judgement obtained in the US in England and Wales.</p>
(4)	the identity of the AIFM, the AIF's depository,	<b>AIFM and Manager</b>

	<p>the auditor and any other service providers and a description of their duties and the investors' rights</p>	<p>PCP2 Limited, whose registered office is at 124 Sloane Street, London, England, SW1X 9BW, is the Company's AIFM and Manager.</p> <p>PCP2 Limited is appointed pursuant to the Investment Management Agreement to act as the Company's alternative investment fund manager for the purposes of the UK AIFM Regime, and the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company. Under the engagement the AIFM is also required to provide investment management services to the Company in the achievement of its investment objective and investing policy.</p> <p><b>Depository</b></p> <p>INDOS Financial Limited, whose registered office is at 18<sup>th</sup> Floor, the Scalpel, 52 Lime Street, London, EC3M 7AF, is the Company's depository.</p> <p>The Depository provides the Company with depository services which include safekeeping of the assets of the Company, oversight (for example monitoring continuing compliance with the Company's investment policy and ensuring that the Company's cashflows are properly monitored, and that all payments made by or on behalf of investors upon the subscription for shares are received) and reporting any breaches, anomalies and discrepancies. The Depository is not permitted to delegate the safekeeping of the assets of the Company except with the prior written consent of the Company (which may be withheld).</p> <p><b>Auditor, Reporting Accountant and Tax Adviser</b></p> <p>RSM UK Audit LLP, whose registered office is 6<sup>th</sup> Floor, 25 Farringdon Street, London EC4A 4AB, is the Company's auditor.</p> <p>The auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. RSM UK Audit LLP is a member of the Institute of Chartered Accountants in England and Wales</p> <p><b>Company Secretary</b></p> <p>Link Market Services Limited, whose registered office is</p>
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	<p>Central Square, 10<sup>th</sup> Floor, 29 Wellington Street, Leeds, England, LS1 4DL, is the secretary to the Company.</p> <p>The Company Secretary's duties include the arrangement of, co-ordination and preparation of Board and committee meetings and papers; ensuring that packs provided for Board meetings shall include the required documents; and attendance and minuting of Board meetings. The secretarial services provided by Company Secretary include overseeing production of the Company's annual and half-yearly reports, assisting with regulatory compliance and providing support to the Board's corporate governance process. In addition, the Company Secretary will be responsible for liaising with the Company, the AIFM and the Registrar in relation to the payment of dividends, as well as general secretarial functions required by the Companies Act (including but not limited to the maintenance of the Company's statutory books).</p> <p><b>Registrar</b></p> <p>Computershare Investor Services plc, whose registered office is The Pavilions, Bridgwater Road, Bristol, B13 8AE, is the Company's registrar.</p> <p>The principal duty of the Registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to corporate actions (including tender offers), dividend administration and shareholder documentation.</p> <p><b>Investor Rights</b></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, <i>prima facie</i>, the Company itself.</p> <p>The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which</p>
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		<p>provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.</p> <p>Shareholders who are "Eligible Counterparties" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints to the Financial Ombudsman Service ("<b>FOS</b>") (further details of which are available at <a href="https://www.financial-ombudsman.org.uk">https://www.financial-ombudsman.org.uk</a>). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("<b>FSCS</b>") if they have claims against an FCA authorised service provider which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at <a href="http://www.fscs.org.uk">www.fscs.org.uk</a>. To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.</p>
(5)	a description of how the AIFM complies with the requirements referred to in IPRU-INV 11.3.11G (professional negligence) relating to professional liability risk	In order to cover potential professional liability risks resulting from the AIFM's activities, the AIFM holds a professional indemnity insurance policy against liability arising from professional negligence, with a limit of indemnity not less than £5 million, which is appropriate to the risks covered.
(6)	a description of:	
(6a)	any AIFM management function delegated by the AIFM	The AIFM does not delegate any of its investment management functions. However, some administrative functions have been delegated to the Depositary as described in the response to 4 above.
(6b)	any safe-keeping function delegated by the depositary	Not applicable.
(6c)	the identity of each delegate appointed in accordance with FUND	Details of the Company's depositary, INDOS Financial Limited, are set out in the response to 4 above.

	3.10 (Delegation)	
(6d)	any conflicts of interest that may arise from such delegations	<p>The Depositary, its adviser, or agent may from time to time be otherwise involved in other funds established by parties which have similar investment objectives to those of the Company. It is, therefore, possible that in the course of business, potential conflicts of interest with the Company and its investors may arise.</p> <p>The Articles allow the Board to authorise potential conflicts of interest that may arise, subject to imposing limits or conditions when giving authorisation if this is appropriate. Only independent Directors (who have no interest in the matter being considered) will be able to take the relevant decision and, in taking the decision, the Directors must act in a way they consider will be most likely to promote the Group's success. Procedures have been established to monitor actual and potential conflicts of interest on a regular basis, and the Board is satisfied that these procedures are working effectively.</p>
(7)	a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in line with FUND 3.9 (Valuation)	<p>On an ongoing basis the Directors engage CBRE (or another professional independent valuer of equivalent standing) as property valuer to the Company. Valuations of the Company's properties are conducted half-yearly. The valuations of the Company'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 and Valuation Standards.</p> <p>Valuations will only be suspended in circumstances where the underlying information necessary to value the Company's properties cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the independent valuer) which prevents the Company from making such valuations.</p> <p>Details of each half-yearly 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. In addition, the calculations are reported to Shareholders in the Company's annual report and interim financial statements.</p> <p>The Net Asset Value (and Net Asset Value per Share) is</p>

		<p>calculated half-yearly by the AIFM and relevant professional advisers with support from management and is presented to the Board for its approval and adoption. Calculations are made in accordance with IFRS best practice recommendations or as otherwise determined by the Board. Details of each half-yearly valuation are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant period. In addition, the calculations are reported to Shareholders in the Company's annual report and interim financial statements. Net Asset Value (and Net Asset Value per Share) will be calculated on the basis of the relevant half-yearly valuation of the Company's properties, conducted by an independent valuer.</p> <p>The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs. In circumstances where the calculation of the Net Asset Value is suspended, a suspension of the listing of the Ordinary Shares on AIM will also occur and will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.</p>
(8)	<p>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>	<p>The Company is a closed-ended investment company and, as such, Shareholders in the Company have no right to redeem their Ordinary Shares (however, the Ordinary Shares are to be admitted to trading on AIM and will be freely transferable).</p> <p>Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due. In managing the Company's assets therefore the AIFM seeks to ensure that the Company holds at all times a sufficient portfolio of assets to enable it to discharge its payment obligations.</p> <p>The Group actively maintains a medium-term debt finance that is designed to ensure it has sufficient</p>

		<p>available funds for operations and committed investments. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due.</p> <p><b><u>Discount Management</u></b></p> <p>The Directors will also consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests and as a means of correcting any imbalance between the supply of and demand for the Ordinary Shares.</p> <p>A special resolution has been proposed to be passed at the Company's annual general meeting in 2021 to grant the Directors authority to repurchase up to 38,231,368 Ordinary Shares (representing 14.99 per cent. of the Company's issued Ordinary Share capital as at 8 June 2021) during the period expiring on the conclusion of the earlier of the Company's annual general meeting to be held in 2022 and 30 September 2022.</p> <p>Renewal of this buy-back authority will be sought at each annual general meeting of the Company or more frequently if required. Ordinary Shares purchased by the Company may be held in treasury or cancelled. Ordinary Shares held in treasury may (subject to there being in force a resolution to disapply the rights of pre-emption that would otherwise apply) be resold by the Company.</p> <p>The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5 per cent. above the average of the middle market quotations for the Ordinary Shares for the five business days before the day on which that Ordinary Share is contracts for purchases, and (ii) the higher of the price of the last independent trade and the highest then current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out.</p> <p>Shareholders should note that the purchase of Ordinary Shares by the Company is at the absolute discretion of the Directors, will only be made in accordance with the Articles and is subject to the working capital requirements of the Company and the amount of cash and other resources available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such</p>
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		discretion on any one or more occasions.
(9)	a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors	<p><b>Director's Fees</b></p> <p>The Directors of the Company are entitled to receive, by way of fees for their services as directors, such sums as the Board or any committee authorised by the Board may, from time to time, determine. The Board has not formed a remuneration committee and therefore the Board as a whole is responsible for determining Director remuneration. In July 2020, the Board considered the level of Directors' fees for the year ended 31 March 2021 and agreed to increase the level of Director remuneration, as discussed in more detail in the Company's annual report for the year ended 31 March 2021.</p> <p>The base annual Non-Executive Director fee was increased from £35k to £40k. The Chairman's fee was increased from £75k to £80k. Furthermore, it was agreed that the Audit Committee Chairman and the Senior Independent Director would receive an additional £5k each. The fee increases took effect from 1 July 2020. It was subsequently agreed by the Board that Heather Hancock's annual remuneration be increased from £40k to £45k per annum (effective 1 May 2021), to include an additional £5k to reflect her additional responsibilities as Chairman of the Environmental, Social &amp; Governance Committee. Total fees paid to the Directors for the year ended 31 March 2021 was £197,000.</p> <p><b>AIFM / Manager</b></p> <p>Under the Investment Management Agreement, the AIFM receives from the Company a management fee of 0.95 per cent. per annum of the Group's EPRA NAV up to and including £250 million, 0.90 per cent. per annum of the Group's EPRA NAV in excess of £250 million and up to and including £500 million, and 0.85 per cent. per annum of the Group's EPRA NAV in excess of £500 million, payable quarterly in arrears. No performance fee or asset level fees are payable to the AIFM under the Investment Management Agreement. During the year to 31 March 2021, the fees incurred under the Investment Management Agreement totalled £2.95 million.</p> <p>The AIFM is also entitled to return under the Company's LTIP. The excess return on both elements of the LTIP</p>

	<p>payable to the AIFM is 5%. The LTIP is calculated by reference to total value created as follows:</p> <ul style="list-style-type: none"> <li>• the excess EPRA NAV return payable to the AIFM shall be calculated by reference to the increase in the Company's EPRA NAV (adjusted for any new issue of shares) rather than by reference to an increase in the EPRA NAV per Ordinary Share;</li> <li>• the excess share price return payable to the AIFM shall be calculated by reference to the increase in the market capitalisation of the Company (adjusted for any new issue of shares) rather than by reference to an increase in the market price of an Ordinary Share; and</li> <li>• the LTIP payment shall be capped at three times the average annual management fees paid from 7 February 2020 to the next calculation date, being September 2023.</li> </ul> <p><b>M1 Agency LLP</b></p> <p>The Manager regularly uses M1 Agency LLP for its purchases and sales of assets. During the year to 31 March 2021, the Group incurred fees totalling £2,104,427 from M1 Agency LLP, incurred in the acquisition and sale of investment properties.</p> <p><b>Company Secretary</b></p> <p>The Company Secretary is entitled to an annual company secretarial fee for services provided to the Company of £72,000 (exclusive of VAT and disbursements) per annum, plus certain other minor ad hoc fees including in relation to board packs and share buybacks (if any). The Company Secretary will also receive a fee for services provided outside of the agreed scope of services in the Company Secretarial Services Agreement on a time spent basis.</p> <p><b>Depositary</b></p> <p>The Depositary is entitled to receive a periodic charge in respect of the services provided under the Depositary Agreement of £22,500 per annum (excluding VAT and disbursements). In addition, for each property investment held by the Company in excess of 15, there will be an additional one-off charge of £500 per property,</p>
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		<p>and an increase in the periodic charge of £250 per property per annum. The Depositary's periodic fee will accrue daily and be payable quarterly in arrears on the 15<sup>th</sup> day following the end of each quarterly.</p> <p><b>Registrar</b></p> <p>The Registrar is entitled to receive a fee for share registration services based on the number of shareholders, along with certain other fees for corporate actions and other ad hoc services rendered from time to time. For the year ended 31 March 2021, the Registrar charged fees of £20,992.35, which included a one-off charge of £10,580.72 for assistance with the Company's general meeting in October 2020, and disbursements of £4,049.93.</p> <p><b>Auditor</b></p> <p>The fees charged by the Auditor depend on the services provided and on the time spent by the Auditor on the affairs of the Company; there is therefore no maximum amount payable under the Auditor's engagement letter. In the year to 31 March 2021, the Auditor charged fees of £100,000.</p> <p><b>There are no fees charged directly to investors by the Company.</b></p>
(10)	a description of all how the AIFM ensures a fair treatment of investors	<p>As the Ordinary Shares are admitted to trading on AIM, a market operated by the London Stock Exchange plc, the Company treats all shareholders of a given class equally.</p> <p>Additionally, the Directors of the Company have certain statutory duties with which they must comply. These include a duty upon each Director to act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its Shareholders as a whole.</p> <p>To ensure that the Directors are aware and understand their duties, they are provided with all relevant Company information when they are appointed to the Board and receive regular updates and training on matters where appropriate. Directors also have access to the advice and services of the Company Secretary as well as independent advisers, should they wish. Directors receive technical updates from the NOMAD, the</p>

		<p>Company Secretary, and the Investment Manager as and when appropriate. The Board has a Schedule of Matters reserved for its approval which, alongside the Terms of Reference of all Board Committees, is reviewed on at least an annual basis.</p> <p>The shares of the same class rank <i>pari passu</i> with each other.</p>
(11a to c)	preferential treatment or rights	Not applicable. Please see response to 10 above.
(12)	the procedure and conditions for the issue and sale of units	<p>The Company's shares may be purchased and sold on AIM, a market operated by the London Stock Exchange.</p> <p>While the Company will typically have shareholder authority to buy back Ordinary Shares, Shareholders do not have the right to have their Ordinary Shares purchased by the Company.</p> <p>Ordinary Shares will be eligible for settlement through CREST. Ordinary Shares allocated will be transferred to places through the CREST system unless otherwise stated. Member firms will be requested to give their CREST settlement details to the Company. The Company will arrange for Euroclear to be instructed to credit the appropriate Euroclear accounts of the subscribers concerned or their nominees with their respective entitlements to Ordinary Shares. The names of subscribers or their nominees that invest through their Euroclear accounts will be entered directly on to the share register of the Company.</p>
(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)	<p>The Company's latest published Net Asset Value can be found in the "Investors" section of the Company's website:</p> <p><a href="https://www.urbanlogisticsreit.com/investors/">https://www.urbanlogisticsreit.com/investors/</a></p>
(14)	the latest annual report, in line with FUND 3.3 (Annual report of an AIF)	<p>The Company's latest annual report, which contains historical performance information on the Company, can be found in the "Results, Reports and Presentations" section of the Company's website:</p> <p><a href="https://www.urbanlogisticsreit.com/investors/results-reports-and-presentations/#currentPage=1">https://www.urbanlogisticsreit.com/investors/results-reports-and-presentations/#currentPage=1</a></p>

(15)	where available, the historical performance of the AIF	Please refer to the Company's latest annual report which contains historical performance information on the Company:  <a href="https://www.urbanlogisticsreit.com/investors/results-reports-and-presentations/#currentPage=1">https://www.urbanlogisticsreit.com/investors/results-reports-and-presentations/#currentPage=1</a>
(16)		
(16a)	the identity of the prime brokerage firm	Not applicable.
(16b)	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 – please see the response to 16a above.
(16c)	the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets	Neither the Depositary nor any sub-custodian appointed by it has any right of re-use in respect of the Company's assets.
(16d)	information about any transfer of liability to the primer brokerage firm that may exist	Not applicable – please see the response to 16a above.
(17)	a description of how and when the information required under FUND 3.2.5R and FUND 3.2.6R will be disclosed	The Periodic Disclosures required under FUND 3.2.5R and FUND 3.2.6R are disclosed in the annual reports and accounts of the Company. The Company's latest annual report, can be found in the "Results, Reports and Presentations" section of the Company's website:  <a href="https://www.urbanlogisticsreit.com/investors/results-reports-and-presentations/#currentPage=1">https://www.urbanlogisticsreit.com/investors/results-reports-and-presentations/#currentPage=1</a>  Without limitation to the generality of the foregoing, any information required under FUND 3.2.5R and FUND 3.2.6R 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.

<b>FUND 3.2.3</b>		
(1)	An AIFM shall 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 Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773)	The Depositary Agreement provides that the Depositary may enter into arrangements as permitted by the EU AIFM Directive to discharge itself of liability in accordance with regulation 30 of the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773).
(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) by the Company issuing an announcement via a Regulatory Information Service or (c) by the Company publishing the relevant information on the Company's website.

**Definitions:**

**AIFM or Manager**

PCP2 Limited

**Articles**

the articles of association of the Company, as amended from time to time

**Board**

the board of directors of the Company

**Companies Act**

the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force

**Company Secretary**

Link Market Services Limited

**Depositary**

INDOS Financial Limited

**Directors**

the directors of the Company

**EPRA NAV**

the value of the Company's assets less the book value of its liabilities, calculated in accordance with the guidelines relating to EPRA NAV published by the European Public Real Estate

	Association, as amended from time to time
<b>EU AIFM Directive</b>	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time
<b>Group</b>	the Company and its subsidiaries
<b>Gross Asset Value</b>	the gross asset value of the Company as calculated in accordance with the Company's accounting policies
<b>Investment Management Agreement</b>	the alternative investment fund management agreement dated 21 March 2016 between the Company and Pacific Capital Partners Limited, as amended on as amended on 31 July 2017, 6 July 2018 and 10 February 2020, and as novated to PCP2 Limited pursuant to a deed of novation dated 17 June 2021 between the Company, Pacific Capital Partners Limited and PCP2 Limited
<b>LTIP</b>	the long-term incentive plan of the Company
<b>Net Asset Value</b>	the net asset value of the Company as calculated in accordance with the Company's accounting policies
<b>Net Asset Value per Ordinary Share</b>	at any time the Net Asset Value divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation
<b>NOMAD</b>	the Company's Nominated Adviser
<b>Ordinary Shares</b>	the ordinary shares of £0.01 each in the capital of the Company
<b>Registrar</b>	Computershare Investor Services plc
<b>Shareholders</b>	the holders of Ordinary Share(s) in the Company
<b>SPV</b>	special purpose vehicle
<b>UK AIFM Regime</b>	together, The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds Sourcebook forming

part of the FCA Handbook, as amended from  
time to time