



Investment Policy and Strategy

Investment Policy

Focus activity

The Group's¹ aim is to assemble a portfolio within its focus activity of acquiring, holding, managing and developing investments primarily focused on residential rental accommodations and ancillary and/or strategically located commercial property on the island of Ireland principally within the greater Dublin area and other major urban centres on the island of Ireland (the "**Focus Activity**"). The vast majority of such properties will form the Group's property investment portfolio for third party rental. The Group may also acquire indebtedness secured by properties (including in respect of buy-to-let properties) within its Focus Activity where it intends to gain title to and control over the underlying property. There is no limit on the proportion of the Group's portfolio that consists of indebtedness secured by properties.

Consistent with the Focus Activity, the Group may consider property development, redevelopment or intensification opportunities, in particular, the completion of building out the Group's current development sites, where the directors of the Company consider it appropriate having regard to all relevant factors (including, building risk, lease up risk, expected returns and time to complete).

The Group may also acquire properties and portfolios which include other assets outside of the Focus Activity, subject always to a maximum limit of 20% of the overall gross value of the Group's property assets, provided there is a disposal plan in place in connection with such assets which have been deemed non-strategic and do not meet the Group's investment objectives or which could otherwise have an adverse effect on the Group's status as an Irish real estate investment trust.

Gearing

The Group will seek to use gearing to enhance shareholder returns over the long term. The Group's gearing, represented by the Group's aggregate borrowings as a percentage of the market value of the Group's total assets, will not exceed the 50% maximum permitted under the Irish REIT Regime². The board of the Company (the "**Board**") reviews the Group's gearing policy (including the level of gearing) from time to time in light of then-current economic conditions, relative costs of debt

and equity capital, fair value of the Group's assets, growth and acquisition opportunities and other factors the Board may deem appropriate, with the result that the Group's level of gearing may be lower than 50%. The Board may also from time to time consider hedging or other strategies to mitigate interest rate risk.

Investment structures

The Group will also have the ability to enter into a variety of investment structures, including joint ventures, acquisitions of controlling interests, acquisitions of minority interests or other structures (whether by way of equity or debt) including, but not limited to, for revenue producing purposes in the ordinary course of business, within the parameters stipulated in the Irish REIT Regime. There is no limit imposed on the proportion of the Group's portfolio that may be held through such structures.

Warehousing / pipeline agreements

If the Group is unable to participate in sales processes for property investments because it has insufficient funds and/or debt financing available to it, including where its gearing is at or close to the maximum permitted level under the Irish REIT Regime, the Group is permitted to acquire property investments that meet the criteria specified in its Investment Policy (including the acquisition of shares in property holding companies) from time to time in accordance with the terms of warehousing or pipeline arrangements entered into or to be entered into by it with third parties, in each case, without shareholder approval and for a price calculated on a basis that has been approved in advance by the directors of the Company.

Restrictions

Pursuant to the Irish REIT Regime, the Group is required, among other things, to conduct a Property Rental Business³ consisting of at least three properties, with the market value of any one property being no more than 40% of the total market value of the properties in the Group's Property Rental Business. Further, at least 75% of the Group's annual Aggregate Income⁴ will need to be derived from its Property Rental Business and at least 75% of the market value of its assets, including uninvested cash, will need to relate to its Property Rental Business.

In addition to the foregoing, the Group will not do anything that would cause the Group to lose its status as a real estate investment trust under the Irish REIT Regime.

Changes to the Investment Policy

Material changes to the Group's Investment Policy set out above may only be made by ordinary resolution of the shareholders of the Company in accordance with the Listing Rules of Euronext Dublin and notified to the market through a Regulatory Information Service. If the Company breaches its Investment Policy, the Company is required to make a notification via a Regulatory Information Service of details of the breach and of actions it may or may not have taken. A material change in the

published Investment Policy would include the consideration of investments outside of the Focus Activity, other than as permitted under this Investment Policy

For as long as the Company's ordinary shares remains listed on the Official List of Euronext Dublin, any changes to the Company's Investment Policy must be made in accordance with the requirements of the Listing Rules of Euronext Dublin.

With a view to implementing the Investment Policy the company has adopted an Investment Strategy and which is subject to such amendments as made by the Board from time to time.

Investment Strategy

The board of the Company (the "**Board**") intends to focus on generating long-term sustainable and growing dividends and long-term shareholder value.

Investment Criteria and Portfolio Characteristics

The Group seeks target properties taking into consideration the following:

- (a) Residential properties across the affordable, mid-tier and luxury accommodation sectors and ancillary and/or strategically located commercial property located in the greater Dublin area and other urban centres on the island of Ireland;
- (b) Scope for value enhancement through active asset management;
- (c) Opportunities to enhance the quality of the property;
- (d) Opportunities to create tangible value by undertaking initiatives to develop a sense of community amongst tenants;
- (e) Properties that the Board believes are attractive considering all factors, including yield, growth potential, location, building quality, market and economic conditions and other relevant considerations, having regard to long-term shareholder value;
- (f) Properties which can be acquired close to (and ideally below) replacement cost; and
- (g) Properties in markets where there is strong and/or improving demand for rental accommodation and ancillary and/or strategically located commercial property.

Investment Sourcing

The Board believes that the Group has a proven acquisition strategy, owning 338 apartments at its initial offering in April 2014 and now owning 3,829 apartments and is well placed to secure and develop properties which meet its investment criteria due to the management team's acquisition experience, established relationships and availability of equity capital and debt financing.

The Group will source properties, as they become available, from National Asset Management Agency and private sources (including, private equity investors and others).

¹Means Irish Residential Properties REIT plc (the "**Company**") and its subsidiaries (as defined in section 7 of the Companies Act 2014) other than any owners' management companies.

²Means the provisions of the Irish law and regulation establishing and governing real estate investment trusts, in particular but without limitation, section 705A of the Taxes Consolidation Act (the "**TCA**") (as inserted by section 41(c) of the Finance Act 2013), as amended from time to time.

³As defined in section 705A of the TCA.

⁴As defined in section 705A of the TCA.