Periodic disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: Ardstone Residential Income Fund

Legal entity identifier: N/a

Sustainable investment objective

Did this financial product have a sustainable investment objective?

Yes [x]	No [ ]
[x] It made **sustainable investments with an environmental objective: 100**%	[ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
[x] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	[ ] with a social objective
[x] It made **sustainable investments with a social objective: 75**%	[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Defined terms used herein shall have the same meaning ascribed to them in the Supplement issued in respect of the Sub-Fund, to which this disclosure is to be read alongside.

This disclosure relates to the reference period of 1 January 2023 to 31 December 2023 (the "**Reference Period**"). Please note however that the Sub-Fund's financial year runs from 1 April to 31 March.

To what extent was the sustainable investment objective of this financial product met?

The Sub-Fund's Sustainable Investment Objective can be divided into a core environmental objective applicable to 100% of the underlying assets of the Sub-Fund, and a secondary social objective relating to social and affordable housing. Both objectives were met by the Sub-Fund during the Reference Period.

The Sub-Fund's core environmental objective is to solely invest in Properties built to the highest standards of energy efficiency as defined by the SFDR, i.e.:

- where a building is built before 31 December 2020 the properties have an EPC of B (or better); and
- where a building is built post 31 December 2020, the primary energy demand of the properties meets national NZEB standards (or better).

During the Reference Period, **100%** of the Properties owned by the Sub-Fund met these energy efficiency criteria. Therefore, the environmental objective was met.

The Sub-Fund also has a social objective that at least 75% of residential rental income will be from Social and Affordable Rents.

For these purposes, "Social and Affordable Rents" mean rents that (i) are paid directly or indirectly out of public expenditure; and (ii) equate to a maximum of 37.5% of net disposable income of tenants with household earnings up to and including the 7th decile of the population, as measured by Oxford Economics, or alternative equivalent measure proposed by the AIFM.

During the Reference Period, **87.7%** of the residential rental income earned by the Sub-Fund was from Social and Affordable Rents. Therefore, the social objective was also met.

Accordingly, the activity of the Sub-Fund has been assessed by the AIFM as being in accordance with the Sub-Fund's Sustainable Investment Objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

The sustainability indicators that are being used to measure the attainment of each of the sustainable investment objectives are as outlined in the previous section, namely:

Sustainability Indicator	Performance in Reference Period
For buildings built before 31 December 2020, the EPC rating, as certified in the building's Building Energy Rating (BER) certificate, which is the Irish EPC system.	100% of the Properties acquired by the Sub-Fund that were built before 31 December 2020 have an EPC of B or better. Therefore, this indicator performed fully in line with the

	target.
For buildings built <u>post</u> 31 December 2020 the primary energy demand, as certified in the building's BER certificate.	100% of the Properties acquired by the Sub-Fund that were built after 31 December 2020 either met or exceeded national NZEB standards. Therefore, this indicator performed fully in line with the target.
The percentage of residential rental income that is derived from Social and Affordable Rents.	During the Reference Period, **87.7%** of the residential rental income earned by the Sub-Fund was derived from Social & Affordable returns, thereby exceeding the target of 75%.

As the table above illustrates, during the Reference Period, all investments held by the Sub-Fund met both the environmental and social objectives of the Sub-Fund.

…and compared to previous periods?

Principal adverse impacts are the most significant negative impacts of investment decisionson sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In the previous reference period of 1 January 2022 to 31 December 2022:

- 100% of the Properties acquired by the Sub-Fund that were built <u>before</u> 31 December 2020 have an EPC of B or better. Therefore, this indicator performed fully in line with the target.
- 100% of the Properties acquired by the Sub-Fund that were built <u>after</u> 31 December 2020 either met or exceeded national NZEB standards. Therefore, this indicator performed fully in line with the target.
- **83.1%** of the residential rental income earned by the Sub-Fund was derived from Social & Affordable returns, thereby exceeding the target of 75%.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Sub-Fund ensures that the sustainable investments do not cause any significant harm to the sustainable investment objective by adhering to the Do No Significant Harm ("DNSH") requirements under the SFDR.

For each investment, the aforementioned DNSH criteria are considered pre-acquisition as part of the due diligence process. These arrangements also ensure that principal adverse impacts on sustainability and material environmental, social and governance issues and risks are identified, managed, and mitigated at all stages across of the investment process.

A summary of the DNSH criteria under SFDR and how they are assessed is provided below:

DNSH Criteria	Description	Status
Climate Adaptation	Each of the Properties acquired by the Sub-Fund is required to be compliant with national law relating to adaptation to physical risks associated with climate change adaptation.	Compliant Although not required by SFDR, a Climate Risk and Vulnerability Assessment (CRVA) is being carried out on each investment, incorporating the results a flood risk assessment and overheating assessment. If a requirement for adaptation solutions is identified e.g. for overheating risk, they will be integrated within 5 years from the date of issue of the relevant report.
Water Protection	Each of the Properties acquired by the Sub-Fund is required to be compliant with national law relating to sustainable use and protection of water and marine resources.	Compliant.
Circular Economy/Resource Consumption	Each of the Properties acquired by the Sub-Fund is required to be compliant with national law relating to: • reuse, recycling and material recovery of hazardous and non-hazardous construction and demolition wasted generated at the construction site, and • circularity in building design and construction techniques	Compliant The Sub-Fund places significant emphasis on achieving a robust recycling rate for waste during ownership period of each asset. Furthermore, although not required by SFDR, a Disassembly and Adaptability report is prepared for assets (where relevant).
Pollution Prevention	Each of the Properties acquired by the Sub-Fund is required to be compliant with national law relating to: • hazardous chemicals and substances included in building components and materials used in construction,	Compliant.

	• investigations for potential contaminants on new construction on brownfield sites, and • noise dust and pollutant emissions during construction or maintenance works	
Biodiversity	Each of the Properties acquired by the Sub-Fund is required to be compliant with national law relating to: • protection and restoration of biodiversity and ecosystems • protection of land near biodiversity sensitive areas • protection of land of high biodiversity value	Compliant. An Environmental Impact Assessment or screening has been carried out for each Property where applicable, with any required mitigation and compensation measures implemented. Where applicable, an appropriate assessment has been carried out for sites/operations in or near biodiversity-sensitive areas, and necessary mitigation measures implemented.

How were the indicators for adverse impacts on sustainability factors taken into account?

There are two mandatory adverse sustainability indicators relating to climate and environment included in the SFDR which are applicable to investments in real estate assets, namely:

- exposure to fossil fuels through real estate assets, measured by the share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels; and
- exposure to energy-inefficient real estate assets, as measured by the share of investments in energy-inefficient real estate assets.

Pursuant to SFDR, the Sub-Fund has selected one further non-mandatory adverse sustainability indicator to disclose against, which relates to climate and environmental issues. The Sub-Fund has determined this indicator to be:

- energy consumption intensity, as measured by the energy consumed by the real estate assets per square metre.

The investments made by the Sub-Fund during the Reference Period have been assessed by the AIFM on the basis of the indicators outlined above. On the basis of this analysis, the AIFM has verified that the Sub-Fund's investments do not lead to principal adverse impacts on sustainability factors, as:

- The Sub-Fund has not invested in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels or any activity of a "fossil fuel undertaking" as defined in the Fossil Fuel Divestment Act 2018;
- The Sub-Fund has not invested in any "energy-inefficient real estate assets" as defined in the SFDR; and
- The Sub-Fund has disclosed the Energy Consumption Intensity of its portfolio (please see table below in the section entitled "*How did this financial product consider principal adverse impacts on sustainability factors*?")

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Sub-Fund has put in place policies and procedures to evidence its alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights in line with guidance provided in the Final Report on Minimum Safeguards of the Platform on Sustainable Finance, published in October 2022. The Sub-Fund treats partners, suppliers and stakeholders with respect and integrity with the aim of developing lasting and trusted business relationships. Accordingly, the AIFM has confirmed that the sustainable investments of the Sub-Fund are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In line with its Investment Restrictions outlined in the Supplement, the Sub-Fund has not invested, directly or indirectly, in any assets which engage in questionable working practices (e.g. child labour, heavy pollution, poor operational health and safety standards), or in any Assets that are involved in the extraction, storage, transport or manufacture of fossil fuels in line with the "exposure to fossil fuels through real estate assets" adverse sustainability indicator, or any activity of a "fossil fuel undertaking" as defined in the Fossil Fuel Divestment Act 2018 or that is primarily engaged in the following business areas: the manufacture of armaments or "prohibited munitions" or components thereof, including cluster munitions, explosive bomblets or anti-personnel mines as defined in the Cluster Munitions and Anti-Personnel Mines Act 2008; the production of nuclear and/or uranium material; tobacco; gambling; pornography; prostitution; trafficking or trade in endangered or protected wildlife; prohibited substances (e.g. ozone depleting substances).

How did this financial product consider principal adverse impacts on sustainability factors?

To support the investment decision-making process, and in line with the Sub-Fund's related policies and procedures, principal adverse impacts on sustainability factors were considered as part of the Sub-Fund's ESG management system. These are outlined above under the heading "*How were the indicators for adverse impacts on sustainability factors taken into account*?"

There are two mandatory adverse sustainability indicators relating to climate and the environment included in Table 1 of Annex 1 of the RTS that are applicable to investments in real estate assets. These are assessed in the table below.

The Sub-Fund is a real estate fund and therefore does not invest in investee companies. It does hold some assets via 100% owned subsidiaries, but those entities are subject the same policies as the Sub-Fund.

As adverse sustainability indicators 1-16 as contained in the RTS pertain to investee companies, these are not included in this disclosure, which pertains to real estate investments.

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		**Metric**	**Impact in 2023**	**Impact in 2022**	**Explanation**	**Actions taken**
Fossil fuels	Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.	0% exposure to assets involved in the extraction, storage or manufacture of fossil fuels.	0% exposure to assets involved in the extraction, storage or manufacture of fossil fuels.	The Sub-Fund does not invest in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels. These types of assets are specifically excluded in the Investment Restrictions as set out in the Supplement.	N/A
Energy efficiency	Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets.	100% of the assets owned by the Sub-Fund are energy efficient.	100% of the assets owned by the Sub-Fund are energy efficient.	As of 31 December 2023, the Sub-Fund had only invested in Properties built to the highest standards of energy efficiency, i.e.: • where a building is built before 31 December 2020 the properties	N/A

					have an EPC of B (or better); • and where a building is built post 31 December 2020, the primary energy demand of the properties meets national NZEB standards (or better).	

Additional Climate and Other Environment-related Indicators

Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric
Indicators applicable to investments in real estate assets		
Energy consumption	Energy consumption intensity, as measured by the energy consumed (GWh) by the real estate assets per square metre.	51 kWh per square metre

What were the top investments of this financial product?[1]

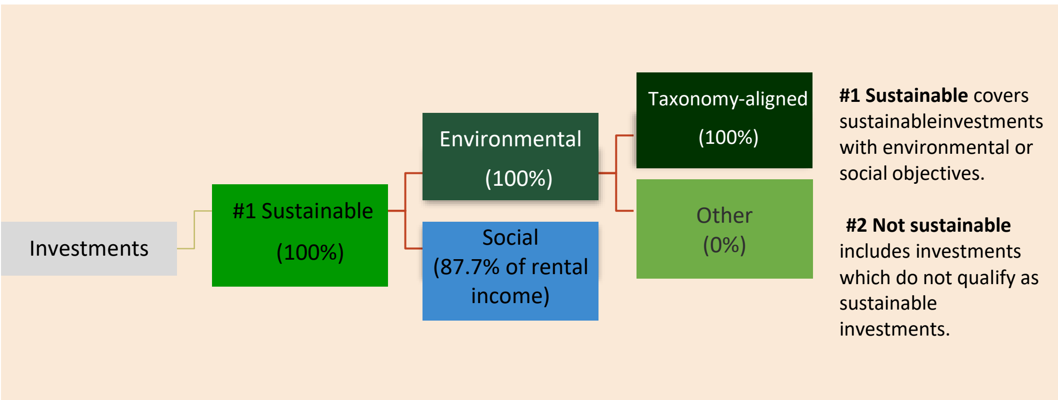
Largest Investments	Sector	% Assets	Country
Two Oaks	Real Estate	23%	Ireland
Barn Oaks	Real Estate	11%	Ireland
Santry Place	Real Estate	10%	Ireland
Beechpark	Real Estate	7%	Ireland
St. Edmunds	Real Estate	7%	Ireland
White Pines	Real Estate	7%	Ireland
Newbridge	Real Estate	5%	Ireland
Whitewell	Real Estate	5%	Ireland
Hampton Wood	Real Estate	5%	Ireland
Adelaide Road	Real Estate	3%	Ireland
Ardrath	Real Estate	3%	Ireland
Barnhall Meadows 1	Real Estate	3%	Ireland
Barnhall Meadows 2	Real Estate	2%	Ireland
Plunkett Hall	Real Estate	2%	Ireland
Poplar Row	Real Estate	2%	Ireland
Toberton Wood	Real Estate	2%	Ireland
Stoneybatter	Real Estate	1%	Ireland
Castle Farm	Real Estate	1%	Ireland

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the referenceperiod. % Assets is expressed in terms of total market value.

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



The Sub-Fund has solely invested in real estate assets. The significant majority of the

[1] The top investments have been calculated using a quarterly weighted average of the total market value of the properties in the portfolio. Cash and equivalents have been excluded.

Sub-Fund's investments are in residential real estate assets, with only ancillary commercial assets that are acquired as part of a residential development.

The Sub-Fund has solely invested in assets with an environmental objective per the definitions contained in the SFDR, and in line with its secondary social objective which relates to a percentage of the income from the assets being derived from Social and Affordable Rents.

Although the Sub-Fund does not commit to a minimum share of Taxonomy-aligned investments, it does assess each asset against the environmental requirements outlined in the Technical Screening Criteria for Acquisition and Ownership under the Climate Change Mitigation objective of the EU Taxonomy. Every effort is being made to bring all assets within the EU Taxonomy criteria as soon as possible, if not already met, through capital expenditure.

The Sub-Fund is permitted to hold up to 10% of its Net Asset Value in cash and bank deposits of credit institutions located in EU Member States or in regulated EU money market funds. As at the end of the Reference Period (31^{st} December 2023), the Sub-Fund held €18.4m of cash and cash equivalents, which corresponded to 2.6% of the IFRS Net Asset Value.

In which economic sectors were the investments made?

The Sub-Fund solely invested in real estate assets.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive

The Sub-Fund does not commit to a minimum share of Taxonomy-aligned investments. However, it does assess each asset against the environmental requirements outlined in the Technical Screening Criteria for Acquisition and Ownership under the Climate Change Mitigation objective of the EU Taxonomy. Every effort is being made to bring all assets within the EU Taxonomy criteria as soon as possible, if not already met, through capital expenditure.

As at the end of the Reference Period, **100%** of the Sub-Fund's sustainable investments were fully aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

Yes

In fossil gas   In nuclear energy

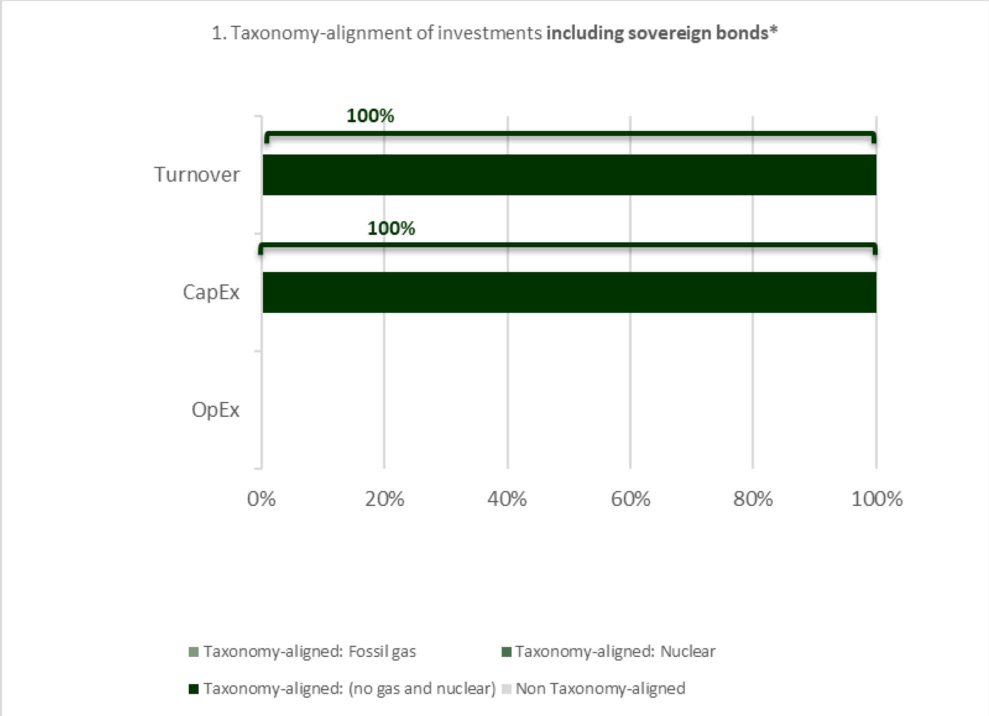
X No

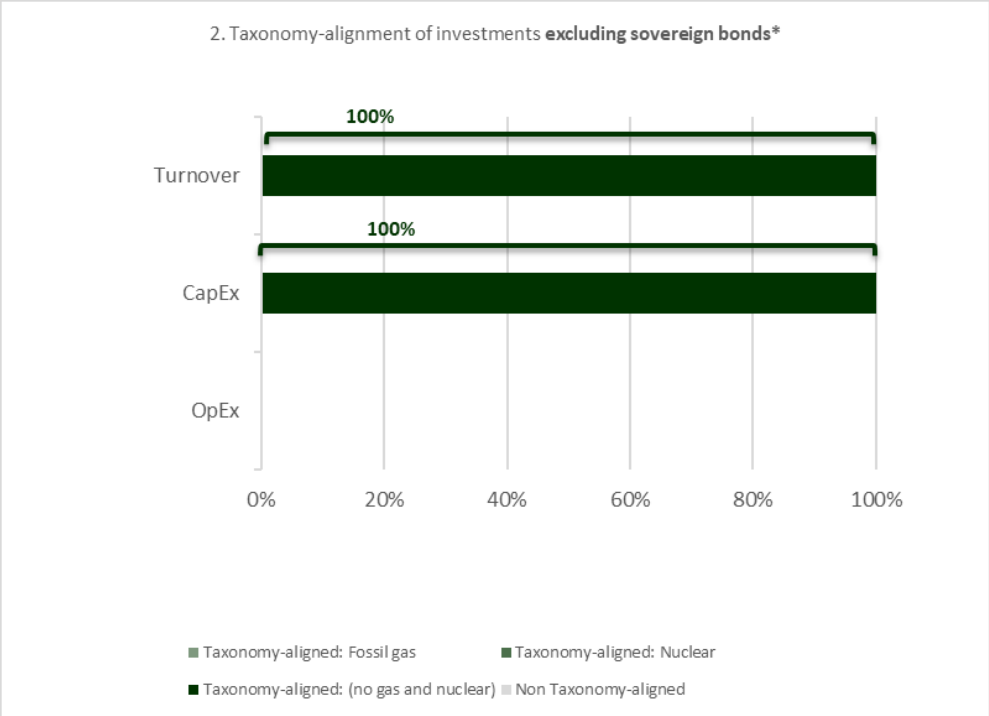
[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures. This graph represents 100% of the total investments, as no sovereign bonds held.*

Note: the Sub-Fund does not invest in investee companies, therefore the Op Ex section is not applicable.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels

What was the share of investments made in transitional and enabling activities?

Not applicable.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

At the end of the previous reference period, the Sub-Fund held 11 Properties that were fully complete and operational, and had been independently verified to be aligned with the EU Taxonomy. These Properties accounted for 64% of the quarterly weighted average value of the total portfolio during the relevant reference period.

At the end of the previous reference period, the Sub-Fund held a further five partially complete assets, that were either being forward-funded by the Sub-Fund, or acquired in phases by the Sub-Fund. Although those Properties were expected to be aligned with the EU Taxonomy when fully complete and operational, the final assessments had not been completed so they were excluded from the share of investments that was disclosed as Taxonomy aligned in the June 2023 disclosure.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

All sustainable investments with an environmental objective held at the end of the Reference Period were aligned with the EU Taxonomy

What was the share of socially sustainable investments?

The Sub-Fund has a social objective which requires that, unless waived by the Advisory Board, at least 75% of residential rental income will be from Social and Affordable Rents.

During the Reference Period, **87.7%** of the residential rental income earned by the Sub-Fund was derived from Social and Affordable Rents.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The Sub-Fund is permitted to hold up to 10% of its Net Asset Value in cash and bank deposits of credit institutions located in EU Member States or in regulated EU money market funds. As at the end of the Reference Period (31st December 2023), the Sub-Fund held €18.4m of cash and cash equivalents, which corresponded to 2.6% of the IFRS Net Asset Value.

What actions have been taken to attain the sustainable investment objective during the reference period?

In order to attain the environmental investment objective, the following actions have been taken:

- The Sub-Fund undertakes detailed due diligence prior to any new acquisition to ensure that any new asset meets the sustainability indicators outlined above, namely:
    - If the building was built before 31 December 2020, the EPC rating, as certified in the building's Building Energy Rating (BER) certificate, which is the Irish EPC system, must be B or better.
    - If the building was built post 31 December 2020 the primary energy demand, as certified in the building's BER certificate, must be better than the national nZEB standards.
    - The potential rental income of the new asset is analysed to ensure that it would not result in the percentage of residential rental income that is derived from Social and Affordable Rents exceeding 75%.
- Pre-acquisition, the Sub-Fund also assesses whether the DNSH criteria have been met, as detailed above in the section entitled "*How did the sustainable investments not cause significant harm to any sustainable investment objective?*"
- Specialist third-party consultants are appointed, in order to independently assess if the assets meet the environmental requirements outlined in the Technical Screening Criteria for Acquisition and Ownership under the Climate Change Mitigation objective of the EU Taxonomy. This includes the preparation of a Climate Change and Vulnerability Assessment, a Disassembly and Adaptability Assessment, and where buildings are greater than 5,000 sqm, further assessments relating to air tightness and overheating.

Finally, the Sub-Fund recognises that governance is key to ensuring the successful delivery of the Sustainable Investment Objective, and has put in place policies and procedures to support its attainment. The Sub-Fund has established a committee (the "ESG Committee"), chaired by the managing director of the Ardstone Group and featuring representatives from the Ardstone Group's asset management, development and property management teams. The ESG Committee is responsible for the development of the Sub-Fund's Sustainable Investment Objective and for monitoring its implementation. The ESG Committee met quarterly to review progress against objectives and key performance indicators.

How did this financial product perform compared to the reference sustainable benchmark?

Not applicable. No index has been designated as a reference benchmark for the purpose of attaining the Sub-Fund's sustainable investment objectives.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

- ***How did the reference benchmark differ from a broad market index?***

  Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

  Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable.

- ***How did this financial product perform compared with the broad market index?***

  Not applicable.