

18 December 2018

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**ALPHA REAL TRUST LIMITED**

**PROPOSED SHARE PURCHASE AUTHORITY, SCRIP DIVIDEND ALTERNATIVE AND PANEL  
WAIVER**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

The Board of Alpha Real Trust Limited ("ARTL" or the "Company") announces today that it is seeking a general authority from Ordinary Shareholders and Class A Shareholders to buy back Ordinary Shares, such authority being in respect of up to 24.99 per cent. of the Voting Share Capital of the Company.

A circular in which full details of the proposed Share Purchase Authority is set out (the "Circular"), together with a notice of an Extraordinary General Meeting to be held on 8 January 2019 at 11.00 a.m., have today been published on the Company's website at <http://www.alpharealtrustlimited.com/investor-relations/shareholder-documents.html>.

The purpose of the Circular is to provide Ordinary Shareholders and Class A Shareholders with information on the background to and reasons for the proposals, to explain why the Board considers such proposals to be in the best interests of the Company, the Ordinary Shareholders and Class A Shareholders, and why the Independent ARTL Directors recommend that Ordinary Shareholders and Class A Shareholders vote in favour of the resolutions to be proposed at the Extraordinary General Meeting.

In the circular to Ordinary Shareholders and Class A Shareholders dated 12 December 2017, the Directors stated that the Company wished to have the flexibility to make on-market purchases of Ordinary Shares by way of a share buyback or pursuant to any tender offer effected by (or on behalf of) the Company. At the Company's extraordinary general meeting on 5 January 2018, the Independent Ordinary Shareholders approved a general authority allowing the Company to buy back Ordinary Shares, such authority being in respect of up to 24.99 per cent. of the Voting Share Capital as at 12 December 2017, being 68,496,906 Ordinary Shares (the "**Prior Share Purchase Authority**"). A total of 1,584,564 Ordinary Shares were purchased pursuant to the Prior Share Purchase Authority (which authority expires on 5 January 2019), including 1,584,564 Ordinary Shares repurchased by the Company pursuant to the tender offer set out in the Company's circular published on 5 October 2018. The Company has no intention to make any further repurchases of Ordinary Shares under the Prior Share Purchase Authority.

The Directors are seeking Shareholders' approval to enable a scrip dividend alternative to be offered to Ordinary Shareholders whereby they could elect to receive additional Ordinary Shares in lieu of a cash dividend (the "Scrip Dividend Alternative"). The Scrip Dividend Alternative will not be made available to Class A Shareholders as to do so would require the Company to publish a prospectus. However, Class A Shareholders who wish to participate in the Scrip Dividend Alternative may do so if they convert all or any of their Class A Shares into Ordinary Shares and then elect to receive additional Ordinary Shares in respect of some or all of the Ordinary Shares arising on such conversion in accordance with the terms and conditions of the Scrip Dividend Alternative.

A waiver conditionally granted by the Panel of any obligation on ARC or the ARC Concert Parties to make a mandatory offer for the Company under Rule 9 of the City Code, as a result of market purchases made pursuant to the exercise of the Prior Share Purchase Authority, was also approved at the Company's extraordinary general meeting on 5 January 2018 (the "**Prior Panel Waiver**").

As at the Latest Practicable Date, ARC holds 33.71 per cent. of the Voting Share Capital and the ARC Concert Parties hold 6.49 per cent. of the Voting Share Capital, bringing the total holding of ARC and the ARC Concert Parties to 40.20 per cent. of the Voting Share Capital. Consequently, Rule 9 of the Code will apply to any further increase in the Voting Share Capital acquired by ARC or the ARC Concert Parties (except to the extent that a further waiver is obtained from the Panel).

As a result, under Rule 9 and Rule 37 of the City Code, unless a specific waiver is obtained from the Panel and approved by the Independent Ordinary Shareholders and the Independent Class A Shareholders voting on a poll, ARC and the ARC Concert Parties would normally be obliged to make a mandatory offer for the Company in the event that their aggregate percentage holding of voting rights attaching to the Voting Share Capital increased as a result of the exercise of the Share Purchase Authority and/or any elections made by them for Ordinary Shares pursuant to the Scrip Dividend Alternative. ARC and the ARC Concert Parties (which includes Phillip Rose) are disenfranchised for the purposes of voting on the Panel Waiver Resolution.

In order to continue to provide liquidity to Ordinary Shareholders, the Company wishes to have the ability to make on-market purchases of Ordinary Shares either by way of a share buyback or pursuant to any tender offer effected by (or on behalf of) the Company. As the Class A Shares are unlisted and are not traded as a recognised investment exchange, the Share Purchase Authority will not authorise the Company to buy back any Class A Shares prior to their conversion into Ordinary Shares.

In addition, the Ordinary Shares are currently trading at a significant discount to the unaudited net asset value of the Company (such discount being 25.4 per cent. as at the Latest Practicable Date, based on the NAV per Ordinary Share as at 30 September 2018 of 178.4 pence).

Accordingly, the Company is therefore seeking the approval of Ordinary Shareholders and Class A Shareholders to the Share Purchase Resolution. If Ordinary Shareholders and Class A Shareholders approve the Share Purchase Resolution, the Company would have authority to make on-market purchases of Ordinary Shares representing up to 24.99 per cent. of the Voting Share Capital (being up to 16,718,895 Ordinary Shares as at the Latest Practicable Date).

Capitalised terms and expressions used in this announcement shall have the same meanings as those attributed to them in the Circular.

Full details of the proposals are set out in the Circular published on the Company's website at <http://www.alpharealtrustlimited.com/investor-relations/shareholder-documents.html>. A copy of the Circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM)

For further information please contact:

**Alpha Real Trust Limited**

David Jeffreys, Chairman, Alpha Real Trust Limited +44 (0) 1481 231 100

Brad Bauman, Joint Fund Manager, Alpha Real Trust Limited +44 (0) 20 7391 4700

**Panmure Gordon, Broker to the Company**

Richard Gray / Andrew Potts +44 (0) 20 7886 2500