Risk Management

We aim to deliver on our strategic objectives whilst operating within a risk framework defined by our risk appetite.

We recognise that risks are inherent in running any business and use the Company's risk management framework to ensure that risks to the Fund's strategy are identified, understood and managed.

Our risk appetite statement identifies the relevant risks to which the Fund is exposed and outlines the controls and key risks indicators in place to mitigate and monitor these risks. We have outlined our key risks below:

Investment Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Incorrect reading of the cycle	Under / over allocation to specific sectors could reduce fund / property performance.	We have been established for over 50 years and have multi cycle experience. Lessons learned in previous cycles have helped shape our investment strategy. We are long term holders of commercial property and do not actively trade our portfolio for short term capital gains. Detailed due diligence is carried out on each asset and individual business plans are produced with performance forecast monitored to ensure target returns are being achieved. We have a Responsible Investment Strategy and sustainability targets to ensure our investment portfolio continues to perform in line with the changing investor, regulatory and occupier demands and climate-related risks. This includes our pathway to net zero carbon, which is already influencing our approach to development and asset management. We measure, monitor and report on various sustainability metrics in our annual Responsibility Report and through our participation in the Global Real Estate Sustainability Benchmark. This should help to minimise any significant reductions in valuations when considering the updated RICS guidance. Our investment strategy is always under review and updated annually. We adjust our risk profile based on our experience, and internal & external research on the market. Investment Strategy is approved by the Investment Committee and the Board.	**DECREASED** HIGH MEDIUM LOW

Operational Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Key person dependency - Failure to attract and retain appropriate corporate knowledge and skills	Inability to execute our business strategy.	Staffing levels are regularly assessed, and resources increased as required. Remuneration Committee in place to assess staff performance. We offer highly competitive remuneration packages to our employees that are benchmarked annually. Our recruitment process is tailored to attract the best talent available. Staff performance is measured on a six-monthly basis to provide regular assessment. There is a plan in place to ensure adequate succession planning is regularly reviewed by the Board and the Remuneration Committee.	**STABLE** HIGH MEDIUM LOW

Property Portfolio Management Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Occupier & Tenant Risk	Weaker occupier demand and increased tenant default could have an adverse impact on income and rental growth and a negative impact on capital values and our dividend payments.	We monitor relevant leading indicators and engage with key market participants. We review the status of occupier demand and tenant default on a quarterly basis. The CEO, Head of Property Management, and COO engages with tenants who have difficulty in meeting their lease commitments and where appropriate, agrees temporary or permanent rent abatements. We actively engage with occupiers to ensure spatial requirements are forecast adequately and any upgrades required to space are carried out in an efficient manner and to market leading standards. We have an overweight allocation to the office sector, which has historically been the best performing asset class in terms of income security. We have a diversified occupier base and we monitor our exposure to individual sectors and occupiers to ensure that we are not over-exposed to any occupier or sector. We endeavour to stagger our lettings to ensure there is no period when there are a high level of renewals or expiries which could potentially leave us exposed to periods of low occupier demand. We have a stringent vetting process to ensure occupier covenants are sufficiently strong and when deemed necessary we engage with third parties to carry out bespoke research on specific occupiers. We have a comprehensive programme in place that involves periodic monitoring of tenants which highlights any default issues.	**DECREASED** HIGH MEDIUM LOW
Climate-related risks	Increased exposure to impacts of climate change such as extreme weather events that may reduce asset values and increase operational costs.	We are proactive in building resilience into our portfolio to mitigate climate-related risks, physical and transition risks, incorporating recommendations of the Taskforce for Climate-related Financial Disclosures and implementing our pathway to net zero carbon. Our directly managed portfolio of assets is operated as efficiently as possible, with a focus on decarbonisation of operations. This also helps to reduce utility costs and stranding risk, and engage with our occupiers. There are growing regulatory requirements that we will continue to comply with and integrate into our business processes.	**STABLE** HIGH MEDIUM LOW

Risk Management

Development Management Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Risk that development projects do not produce the targeted financial returns due to one or more of the following factors: • Delay on site • Increased construction costs • Adverse letting conditions	Targeted financial returns not reached.	Investment appraisals, which include contingencies and inflationary cost increases, are prepared and sensitivity analysis is undertaken to ensure that an adequate return is made in all likely circumstances. The procurement process used by the Company includes the use of highly regarded quantity surveyors and is designed to minimise uncertainty regarding costs. Development costs are benchmarked to ensure that the Company obtains competitive pricing and, where appropriate, fixed-price contracts are negotiated. Procedures carried out before starting work on site, such as site investigations, historical research of the property and surveys conducted as part of the planning application, reduce the risk of unidentified issues causing delays once on site. We are applying an internal carbon price to embodied carbon emissions from our development projects. This helps to prepare for expected carbon pricing on such projects. The Company's pre-letting strategy reduces or removes the letting risk of the development as soon as possible. The global pandemic has resulted in the intermittent closure of construction projects and supply chain delays. We work closely with our providers to mitigate the impact on project timelines and costs. The company is aware of potential supply chain delays which may arise as a result of economic sanctions/ materials shortages due to the political conflict in Russia and Ukraine. We work closely with our providers to mitigate the impact on project timelines. Detailed reviews are performed on construction projects to ensure that forecasts are aligned with our contractors. Post-completion reviews are carried out on all major developments to ensure that improvements to the Company's procedures are identified, implemented and lessons learned.	STABLE HIGH MEDIUM LOW

Market Risk

Details	Impact	Mitigation	Change to risk in last 12 months
Political changes domestically and internationally	Political uncertainty could create an environment where investors and businesses are reluctant to make investment decisions.	Uncertainty relating to such events are regularly assessed and considered when reviewing and evaluating our investment strategy. We engage with relevant parties to ensure we are properly briefed on upcoming policy changes or the regulatory implications or political events. These matters are brought to our Board's attention and where appropriate, we raise our concerns through relevant channels and advance our views on these issues. Investment restricted to Ireland. The company continues to monitor the geopolitical risks in relation to the ongoing political conflict in Europe and the impact on both the global and Irish economy.	INCREASED HIGH MEDIUM LOW

Details	Impact	Mitigation	Change to risk in last 12 months
Dublin real estate market – Under performance of Dublin property relative to other sectors or asset classes	Reduced shareholder returns.	Our Investment Strategy focuses on prime assets in Dublin which have historically outperformed the rest of Ireland over the long term, benefiting from strong occupier demand and investor appetite. We are actively engaged with key market participants at all times, giving us first-hand knowledge of any market changes. The Company receives quarterly valuation reports from two independent third party valuers and the Board receives a quarterly investment report. Our Investment Committee meet quarterly to assess the risks and opportunities in the market and monitor how these impact on the execution of our strategy. Our investment strategy is always under review and updated annually. We adjust our risk profile based on our experience, and internal & external research on the market.	DECREASED HIGH MEDIUM LOW
Risk that the Global Pandemic (e.g. Covid-19) could potentially have a negative impact on the Company's performance	Negative impact on Company's performance.	The Company employs a business continuity plan, cloud computing and anytime work solutions to reduce the operational impact of any business continuity or force majeure events. We follow the HSE guidelines with staff working from home as advised. Operations are able to continue with staff working from home and IT capability is fully functional. We continue to monitor the situation and the impact on the Irish economy. We maintain contact with our Investors, tenants and third-party providers to assess the potential impacts to the Company.	DECREASED HIGH MEDIUM LOW

Financial & Liquidity Management

Details	Impact	Mitigation	Change to risk in last 12 months
Liquidity - Portfolio assets are commercial property and are illiquid	Access to finance is restricted or not sufficient to redevelop existing portfolio assets. Insufficient funds to deal with share redemptions.	The current interest rate environment ensures that real estate remains an attractive asset class for investors. The Board receives quarterly reports on subscription and redemption activity/requests from the Administrator. By maintaining relationships with investors and prospective investors in the market, this proximity permits the Senior Management Team to gauge and plan for redemption or investor demand. The Board seek to maintain minimum cash balances of approximately 1% of the net asset value of the Fund. The Senior Management Team receives quarterly market updates from economists and investment advisors with expertise in the European and Irish commercial property markets. Capital is monitored by our Finance department on an ongoing basis. We have a Liquidity Management Policy, a Repurchase Policy and Stress Testing Procedures in place. Stress Testing is conducted on a quarterly basis.	STABLE HIGH MEDIUM LOW
Investor Concentration – Over reliance on a single investor	Inability to implement business strategy.	We continue to diversify our shareholder base in recent years to improve the liquidity of the Fund. By maintaining relationships with investors and prospective investors in the market, this proximity permits the Senior Management Team gauge and plan for redemption or investor demand. Limit on shareholding of a single investor.	STABLE HIGH MEDIUM LOW