



TSC FUND – EUROCARE IV

Investment in European long-term and specialized care



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*Nursing Home: Puento Viesgo (Spain)
Year of Acquisition: November 2020*





EXECUTIVE SUMMARY

FACT SHEET

Fund Structure	Luxembourg Closed-ended SICAV-SIF
Fund Manager (AIFM)	Threestones Capital Management SA
Currency	EUR
Fund Size	Target equity EUR 500 million
Leverage	Max. 50% of the gross asset value
Target Term	5 to 7 years (fund term 6 + 2x 1 year)
Target Net IRR	10-12% (net)
Target Multiple	1.6x - 1.7x
Target distribution	3 to 4% p.a. paid quarterly (avg. during the holding period)
SFDR Classification	Article 8 – product promoting ESG characteristics
Minimum Subscription & Management Fee*	Class A ordinary shares - EUR 125,000 (1.2 % fee) Class B ordinary shares - EUR 1,000,000 (1.0% fee) Class C ordinary shares - EUR 10,000,000 (0.8% fee)
<small>*Management fee on total invested capital, depending on the share class **non-distributing share classes also available</small>	
Performance Fee	(i) 100% to LPs up to 6% IRR (Preferred Return) (ii) After preferred return, 20% to GP (catch up) (iii) 80% to LPs and 20% to GP thereafter
Custodian	Banque de Luxembourg
Auditor	PricewaterhouseCoopers
Independent Valuator	Savills

INVESTMENT OBJECTIVE

- To generate **above-average income** and to **maximise mid-term capital appreciation** by investing in healthcare properties (such as specialized-care facilities, nursing homes, assisted-living apartments, rehab clinics, etc.) ("**Health Care Properties**") while reducing investment risks through diversification.

INVESTMENT STRATEGY

- Acquire yield-generating Health Care Properties in Europe, rented out under long-term contracts to top tier healthcare operators.
- Leveraging on our long-established industry network, identify and invest in proprietary deal opportunities.
- Build up a critical mass portfolio of quality senior housing assets sufficiently large to attract institutional investors willing to pay a premium to access sizeable portfolios in this emerging and still fragmented asset class.

ESG – ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- As a responsible AIFM, we consider an integral part of our duty to respect environmental, social and governance (**ESG**) principles when investing capital on behalf of our investors. Threestones considers the ageing population and climate change to be two of the biggest issues of our time. We strive to integrate ESG analysis into our investment decision-making process by targeting undersupplied areas of Health Care Properties. Our goal is to generate long-term sustainable performance for our investors while endeavouring to achieve positive outcomes for society by providing high-quality care facilities to the elderly population.
- Threestones investment decisions, internal processes and procedures are fully compliant with the Sustainable Finance Disclosure Regulation (**SFDR**), (Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019). The Fund is classified as an article 8 product.
- In December 2022 the Fund obtained ISR certification.



EXECUTIVE SUMMARY

ESTABLISHED MANAGEMENT TEAM

- **15 years of investment experience in the nursing home sector**
- **Local presence** and privileged **market knowledge** with **proprietary access to deal flow**
- **Proven senior housing investment track record across more than 100 properties** in the sector
- **Full alignment of interest** as the Founding Partners are **engaged full time** and co-invest alongside the Fund

FUND SIZE & STRATEGY

- Target fund size of **EUR 500 million** (50% maximum LTV)
- Acquire **nursing care home properties in Europe, mainly focusing on but not limited to Germany, Italy and Spain**. Implement long-term leases with leading European nursing care home operators to creating institutional-grade products
- Returns are generated by a **combination of current cash flow (~70%) and capital appreciation (~30%)**
- **Assemble a sizable portfolio of care home properties** and exit via a portfolio sale after a 6-8 year holding period

INVESTMENT CRITERIA

- **Target average acquisition yield 5%-6%.**
- **Over 90% occupancy rate** with **triple or double net** long-term leases (15-25 years) **indexed to CPI** (inflation protection)
- **Diversified pool of high-quality operators** with strong reputations and recognized financial capabilities

TARGET RETURNS

- **10%-12% net IRR**
- **3% to 4% p.a. target cash distribution** (paid quarterly)
- **Low volatility** and **low correlation** to financial markets and the broader economy

COMPELLING MARKET DYNAMICS

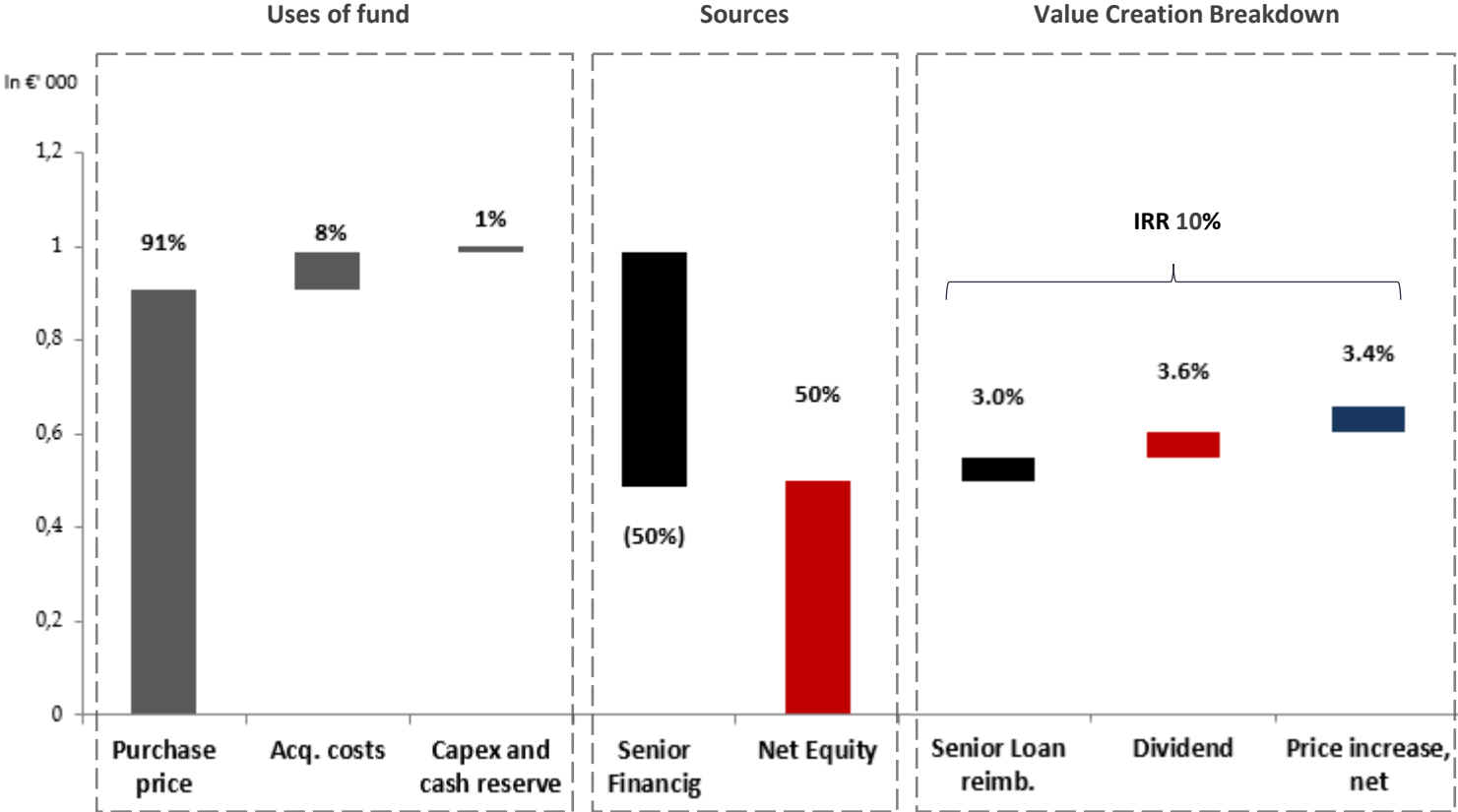
- **Supply/demand imbalance** given Europe's ageing population, which will require substantially more care homes than are currently available, providing sustainable future growth (est. at 5% p.a.)
- **Fragmented market** with small deal sizes (typically EUR 8-15 million GAV)
- **Lack of institutional product** has made it historically difficult for institutional investors to enter this sector on scale



BUSINESS PLAN | BASE CASE SCENARIO

Sizeable investment opportunity (EUR 900+m.) in the growing real estate sector in Europe

VALUE CREATION



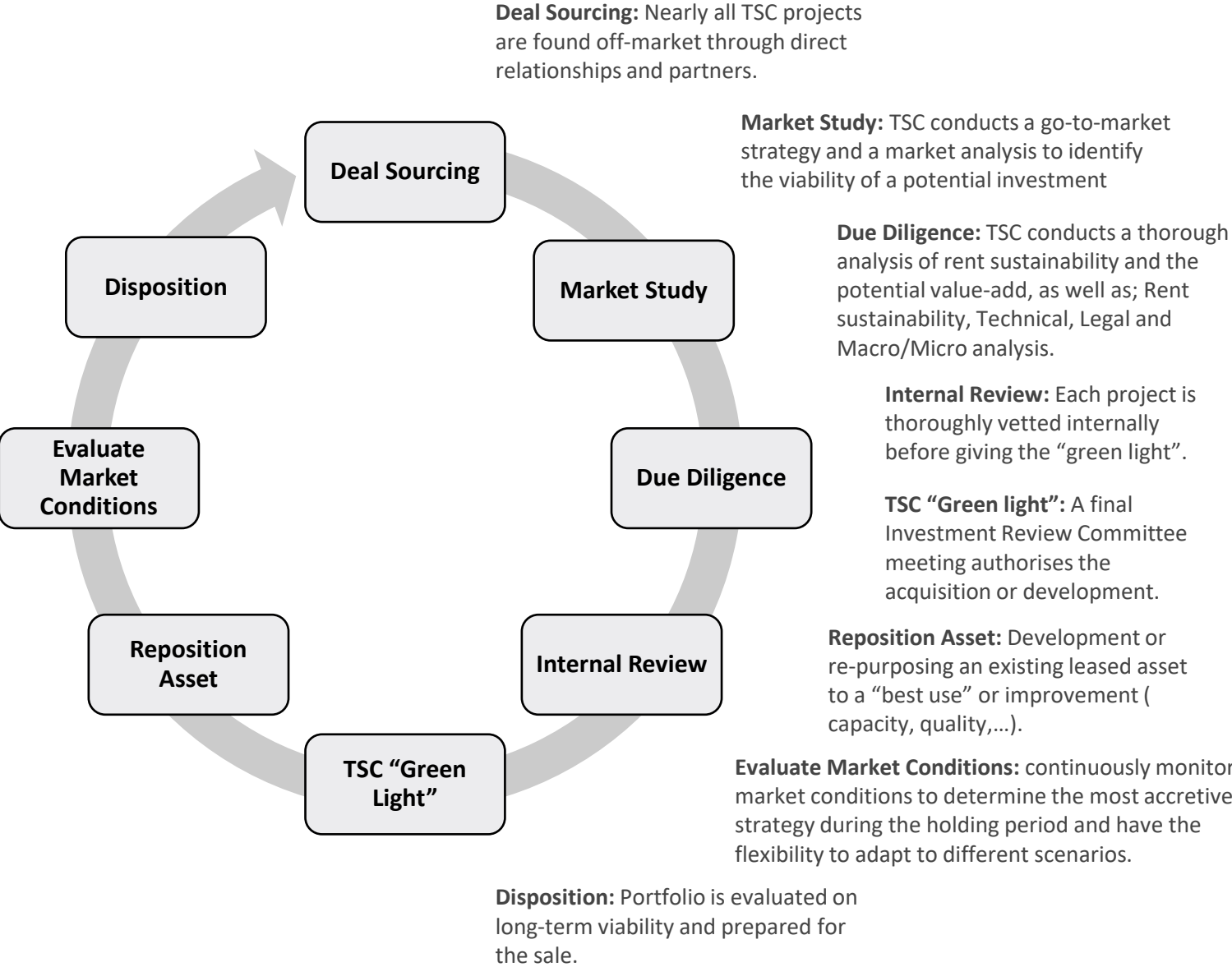
“A unique investment proposition combining recurring cash flow and capital appreciation in a growing and uncorrelated real estate sector. 2/3 of expected performance generated by recurring cash flow.”

* Capital gain mainly achieved through:

- Specific deal origination and structuring
- Capex value add measures /refurbishment
- Lease indexation (CPI)



UNIQUE RISK-ADJUSTED VALUE CREATION MODEL | COMPETITIVE ADVANTAGE



Competitive Advantages

Proprietary off-market deal sourcing via networks built over 10 years

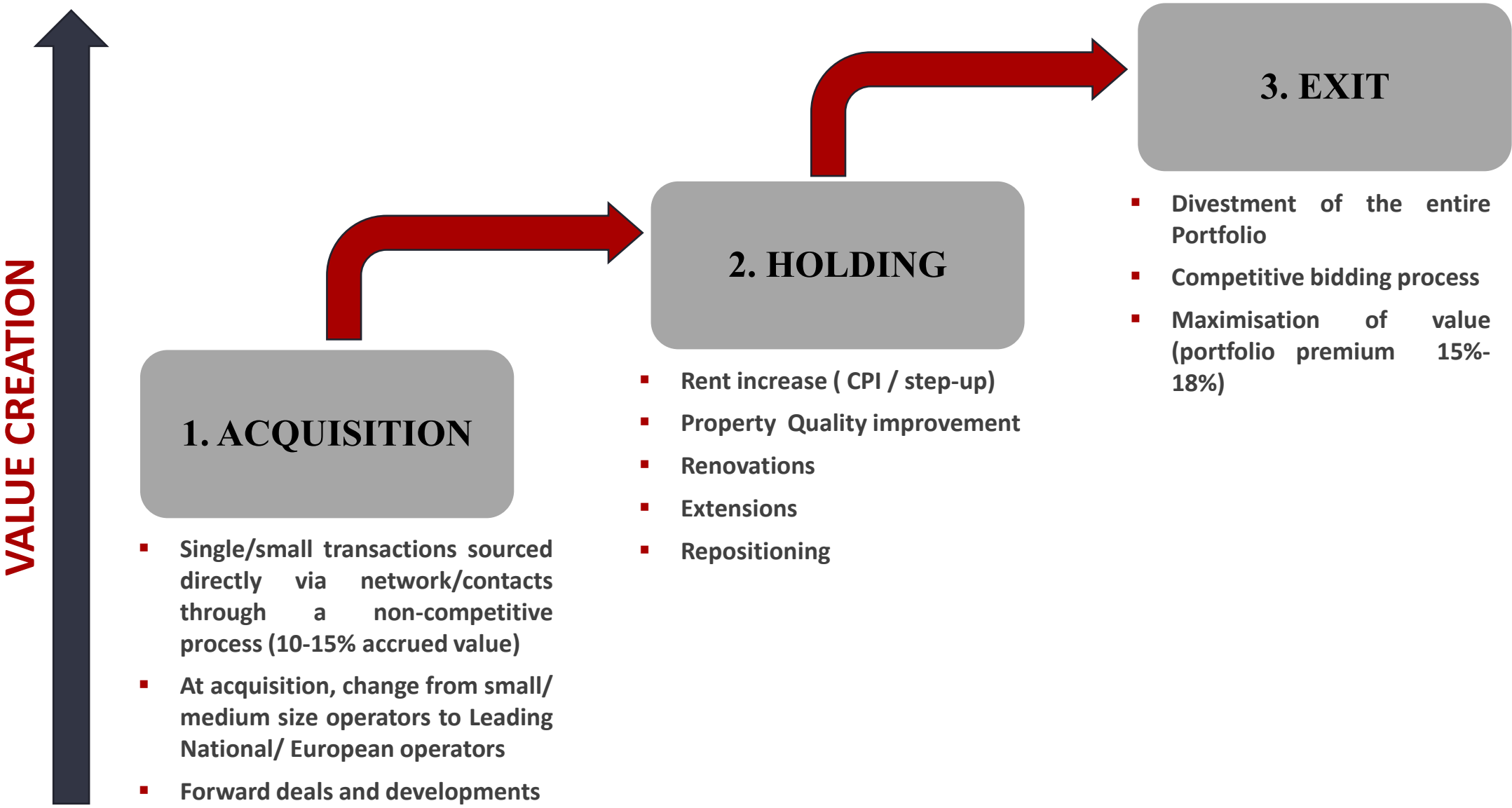
An experienced, dynamic and efficient team of professional healthcare real estate specialists

Proprietary research and market due diligence validated by independent analysis covering specific asset classes

A proven track record of generating optimal risk-adjusted returns backed by countercyclical cash flows.



	Standard Fund Model	Threestones Capital Fund Model
Deal Sourcing	<ul style="list-style-type: none">▪ On-market, high-profile portfolios with larger institutional investors competing.	<ul style="list-style-type: none">▪ Off-Market, below-the-radar properties that are sourced via direct relationships and contacts.
Value-Add Execution	<ul style="list-style-type: none">▪ High-level oversight of numerous and varied operators to identify incremental upside.	<ul style="list-style-type: none">▪ Ability to realise the substantial underlying value in assets through strategic repositioning.
Experience	<ul style="list-style-type: none">▪ Finance / PERE Professional responsible for large portfolios.	<ul style="list-style-type: none">▪ 10 + years of building a direct relationship with markets and communities served.
Performance	<ul style="list-style-type: none">▪ Reliance on cap rate compression and portfolio premiums leading to higher correlations with economic and capital markets	<ul style="list-style-type: none">▪ Low correlation with the broader market indexes allows for focus on NET Operating Income (NOI) growth and increased stabilised valuation.





EUROCARE IV FUND

Update

- Capital raised: EUR 285 million
- Acquired 14 assets (EUR 230 million) and signed additional two assets (EUR 20 million)
- Additional EUR 50 million secured to close in Q1 2023
- Identified/secured pipeline of approx. EUR 400 million; a well-balanced portfolio (size of the assets, geographical distribution, quality tenants; projected to generate a solid 10-12% net IRR (in line with Fund's targets)
- Quarterly dividend distributions since April 2022
- Expected final closing: June 2023



Quarterly dividends



Acquisitions



*Nursing Home Bergamo (Italy)
Year of Acquisition: November 2018*





EUROCARE IV FUND | Update on Current Portfolio

Purchased Rosolina	Purchased Berlin	Purchased León	Purchased Valdesoto	Purchased Neu-Ulm	Purchased Felsberg	Purchased Vellmar
November 2021 EUR 16 million	December 2021 EUR 45 million	January 2022 EUR 3.7 million	March 2022 EUR 6.5 million	March 2022 EUR 23.5 million	March 2022 EUR 15 million	March 2022 EUR 21 million
						
<u>ROSOLINA, VENETO, ITALY</u>	<u>BERLIN, GERMANY</u>	<u>LEÓN, SPAIN</u>	<u>VALDESOTO, SPAIN</u>	<u>NEU-ULM, GERMANY</u>	<u>FELSBERG, GERMANY</u>	<u>VELLMAR, GERMANY</u>
Purchased Reiskirchen	Purchased Altenkirchen	Purchased Magnano	Purchased Tarcento	Purchased Bohonal de Ibor	Purchased Bad Münstereifel	Purchased Quercus
March 2022 EUR 13 million	March 2022 EUR 8 million	April 2022 EUR 14.5 million	April 2022 EUR 28.7 million	July 2022 EUR 5.3 million	September 2022 EUR 9.4 million	October 2022 EUR 4.3 million
						
<u>REISKIRCHEN, GERMANY</u>	<u>ALTENKIRCHEN, GERMANY</u>	<u>MAGNANO, ITALY</u>	<u>TARCENTO, ITALY</u>	<u>BOHONAL DEL IBOR, SPAIN</u>	<u>BAD MÜNSTEREIFEL, GERMANY</u>	<u>CATALONIA , SPAIN</u>



**Purchased
Arenys de Mar**

January 2023
EUR 4.2 million



CATALONIA , SPAIN

**Purchased
Weissenburg**

March 2023
EUR 10,5 million



WEISSENBURG, GERMANY



ESG



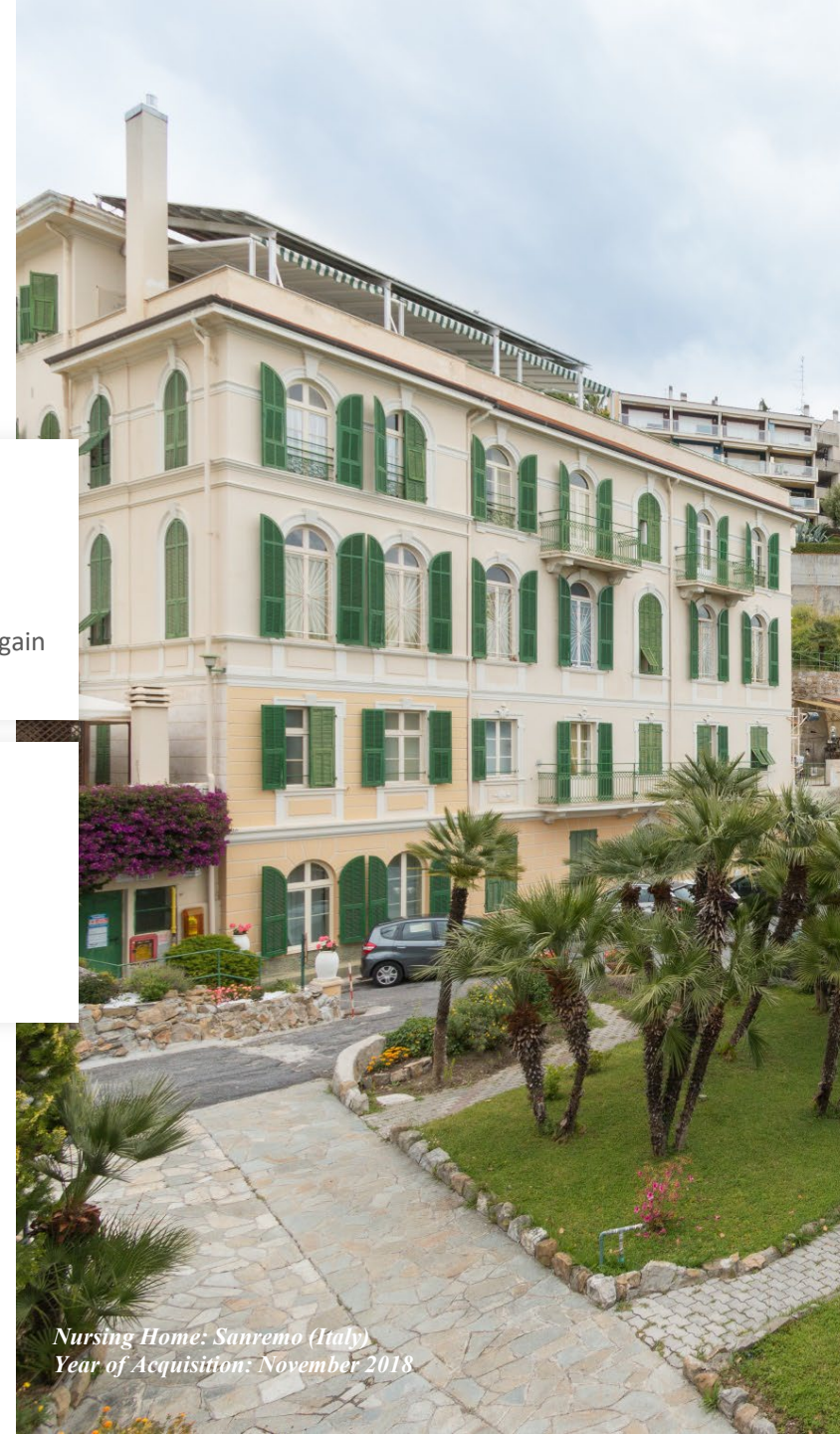
- Environmental, Social And Corporate Governance
- **SFDR – Article 8**
- Threestones has signed up to **UNPRI & GRESB** and has obtained **ISR certifications in Q4 2022.**



Environmental gain



Social Care



*Nursing Home: Sanremo (Italy)
Year of Acquisition: November 2018*





Threestones Capital is actively developing a **robust strategy** that is **measurable and effective** supported by the implementation of clear processes, working in close collaboration with industry **peer leading groups**.

- E**
 - Measuring, analysing and materially **improving the carbon footprint** of the properties in portfolio.
 - Environmental and **Impact assessment** throughout the whole asset lifecycle.
 - Strategic planning and monitoring** of CapEx with aim to obtain building certifications.
 - Periodic analysis of **physical and transition risks** when new set of information is received.
- S**
 - Support the Threestones Foundation in its social goals.
 - Upgrading properties to create **more capacity and hosting more people**.
 - Improve quality of facilities, **residents more comfortable and socially integrated**.
 - Engaging with tenants** on sustainability topics and best practices.
- G**
 - Rigid reputation analysis** before engaging with operators for our facilities.
 - Thorough **AML-KYC due diligence process** on sellers and operators.
 - Fully **transparent Fund Board** with independent Directors at management company and Board level.
 - Dedicated **ESG Officer** at Threestones Capital.
 - TSC Real Estate (DE) **leads ECORE working groups** to develop ESG rating catalogue as an industry standard.





- The Threestones Foundation was established in November 2018 as a **philanthropic enterprise backed by Threestones Capital** – a leading investment boutique and service provider for nursing home investments in Europe.
- Over the years, **we have acquired expertise** in, and a deep passion for, the elderly care sector. As a group and as individuals, we are committed to applying this knowledge and enthusiasm beyond our commercial activities in order to create a sustainable performance for our investors and the guests in our Health Care Properties.
- The Threestones Foundation is the **concrete expression of this desire to support more broadly the elderly care sector** and the society at large on different societal issues.
- We aim to surround ourselves with stakeholders that are highly renowned in the healthcare sector in order to **promote socio-medical research**, as well as with industrial partners and social enterprises in order to foster genuine cooperation on medical research.

LATEST ACTIONS



THE THREESTONES FOUNDATION
SUPPORTS COVID-19 EFFORT WITH
100,000 FACE MASKS DONATION TO
HEALTHCARE FACILITIES



THREESTONES FOUNDATION DONATES
TO AIMA BIELLA FOR THE PROJECT
"MENTE LOCALE"



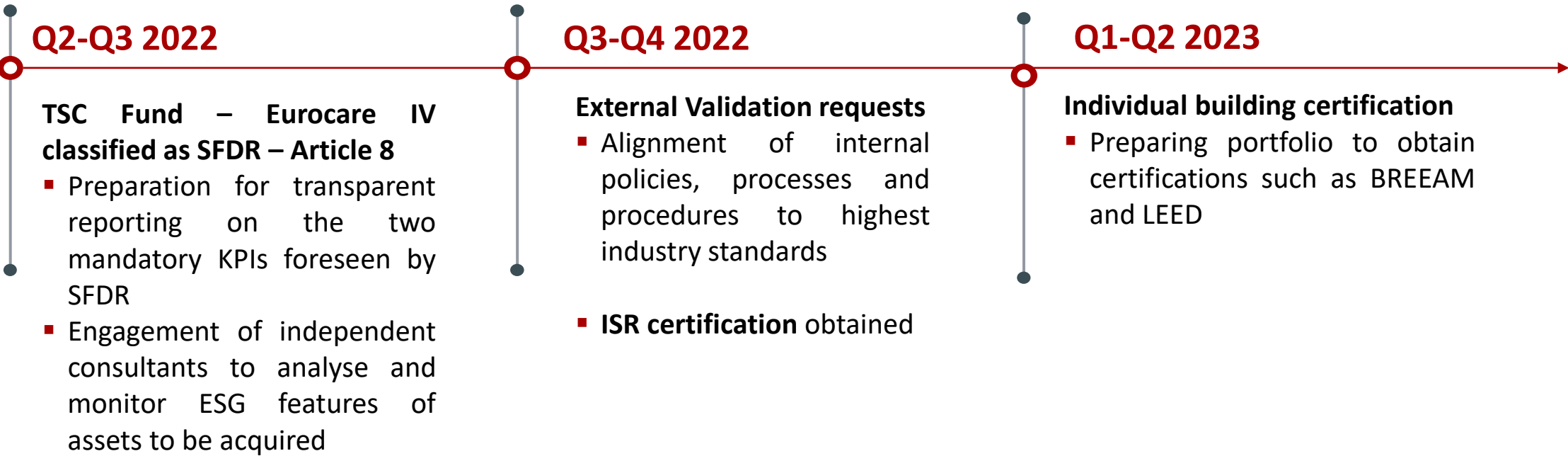
THE THREESTONES FOUNDATION
DONATED TO THE ATILIO
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Threestones Capital has developed a roadmap to clearly define the steps taken and the ones to undertake in the future. In addition to the important Social and Governance building blocks, there is a clear ambition to constantly improve the real estate environmental characteristics throughout the holding period.

Threestones has signed up to **UNPRI & GRESB** and **obtained ISR certifications in Q4 2022**.

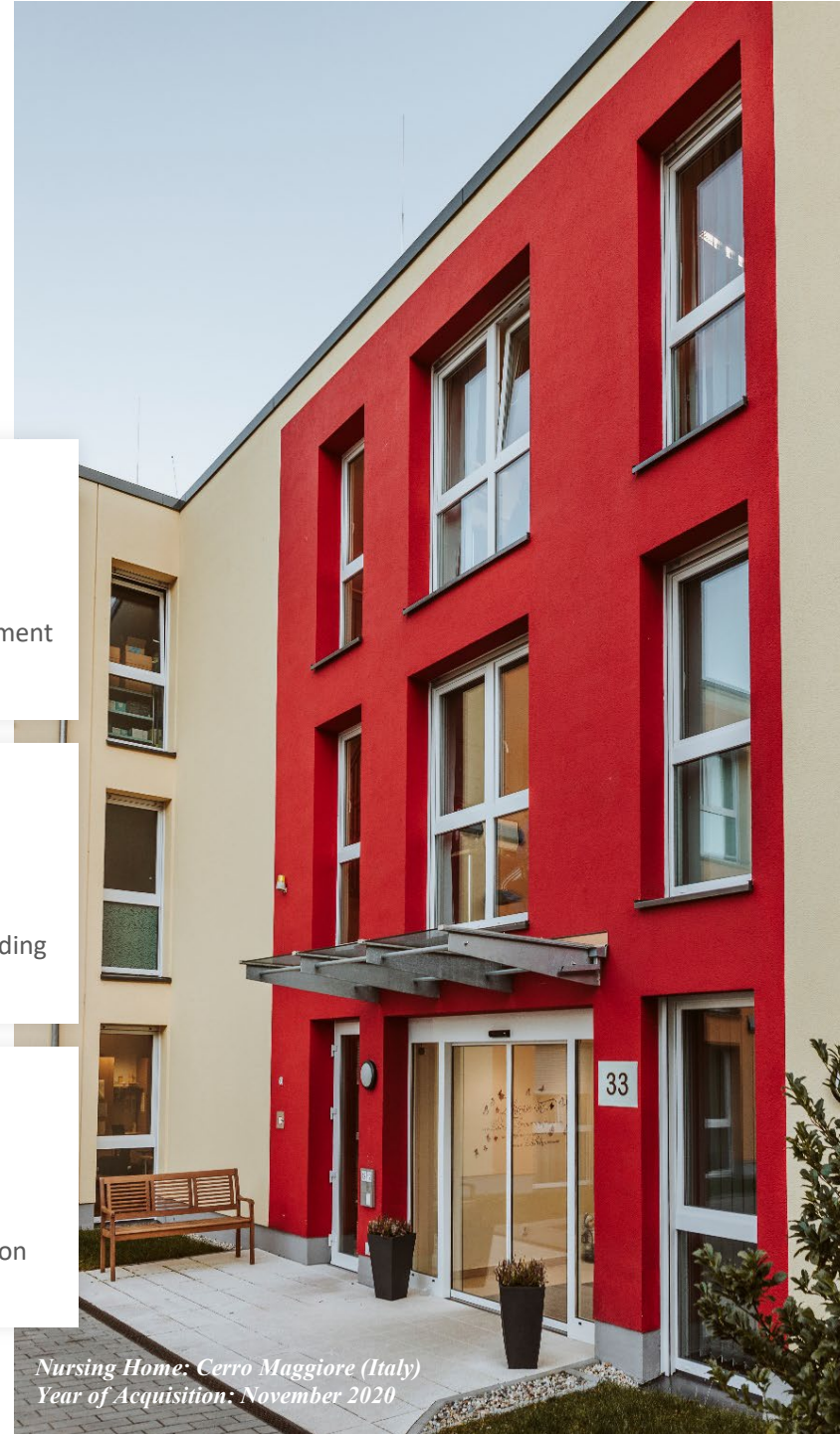
TIMELINE





European Care Home Market Dynamics

The sector is mainly driven by natural demographic demand and is resilient to the economy and markets.



*Nursing Home: Cerro Maggiore (Italy)
Year of Acquisition: November 2020*



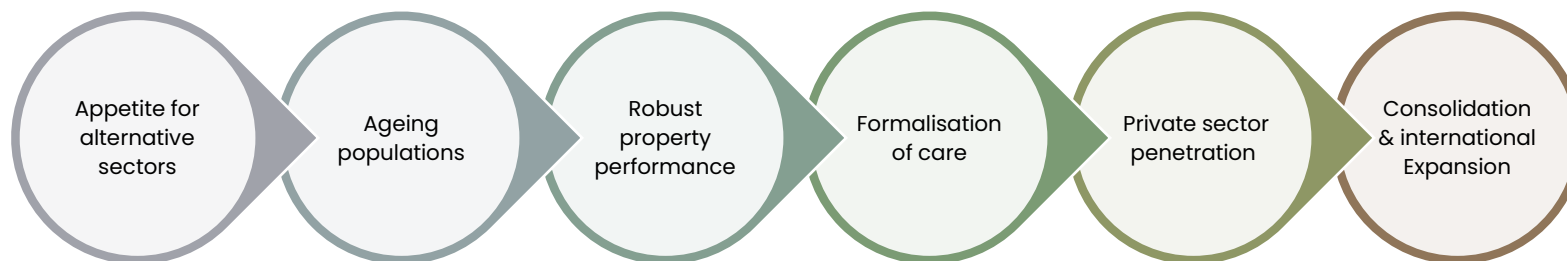


EUROPEAN CARE HOME MARKET | ATTRACTIVE ALTERNATIVE INVESTMENT SECTOR

- There is a clear increase in capital targeted at the elderly care home and senior living property market in recent years. In absolute terms, recorded rolling investment volumes are now over **EUR 6.5 billion per annum** compared to levels below EUR 3 billion prior to 2015.
- As a share of all commercial property transactions, care home and senior living investment has also jumped **up to 2.5%**.
- Supporting the numbers, a range of global investors are exploring the market and are openly confirming that healthcare is part of their future investment strategy.
- Investor interest in the healthcare sector is partly a reflection of structural change in global property markets with investors increasingly **seeking out alternative sectors**. The uncertain future of traditional sectors like retail has something to do with this, but the broader **drive for yields, returns and portfolio diversification is paramount**.

**Global investors
are exploring the
market and
confirming that
healthcare is part
of their future
investment
strategy**

- Private equity allocations are often a leading indicator for future capital flows, with PE funds allocating **as much of 50%** of their real estate portfolios towards alternative sectors by 2023. These predictions are supported by broader real estate surveys that indicate that **66% of investors** wish to increase their holdings in alternative sectors.
- **Care homes and senior living residences are among the alternative sectors sought after** because of the long-dated income on offer and a growing awareness of the demographic fundamentals driving these markets.
- It is the more **accessible market segment** of the broader healthcare system in many European countries, especially when compared to hospital and acute care facilities which are more tightly controlled by state authorities.



References:

Active Capital, The Report 2019, Knight Frank

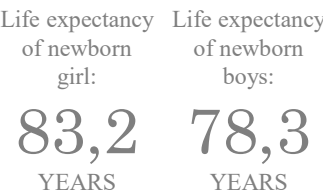
Emerging Trends in Real Estate: Creating Impact – Europe 2019, PWC & Urban Land Institute



AGEING POPULATIONS – “A TICKING TIME BOMB”

- Rapidly ageing populations across Europe will be the **biggest long-term driver of growth in the care home market**. The impact can be already seen in many European countries, but forecasts suggest the potential strain on healthcare systems could be monumental, impact of an ageing ‘time bomb’. The share of people over the age of 80 is expected to surge across Europe and especially so in Spain, Germany and Italy.
- The demographic shift will also be driven by increasing life expectancy – a product of developments in medicine and medical procedures. Both men and women across Europe are now expected to survive **18-24 years beyond the age of 65**. More people reaching old age is certainly a mark of an advancing society, but it presents European governments with huge cost increases when it comes to healthcare and long-term care.
- Estimates suggest the cost of long-term care across Europe will rise from **1.8% of GDP** at present, to between **3% and 5%** in 2060. This jump will strain public funds at a time when government budgets are already squeezed. The Netherlands and Scandinavian countries are already allocating between 3-4% of GDP to long-term care provision. Countries like Italy and Spain, where cultural norms have limited the need for long-term care, will start to adjust their healthcare budgets as their societies evolve.

EUROPEAN STATUS 2020



FORECAST 2060

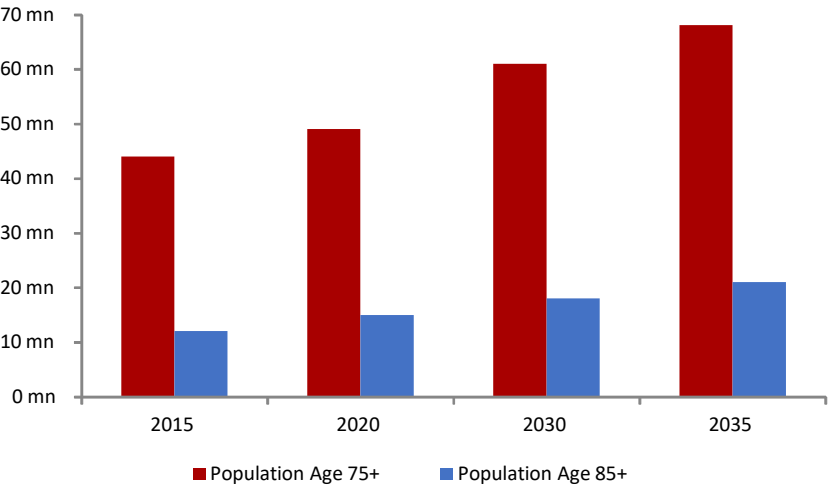


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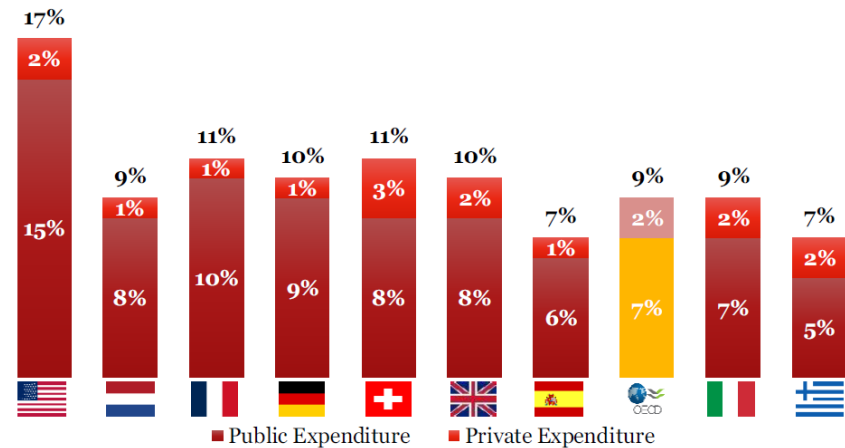
The share of people over the age of 80 is expected to surge across Europe and especially so in Spain, Germany and Italy

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EUROPEAN UNION: GROWING SENIOR POPULATION



Healthcare Expenditure as % on GDP (public and private), 2016 (countries percentage)



Source:
Eurostat 2020
Active Capital, The Report 2019, Knight Frank - Facts and figures on Healthy Ageing and Long-term Care,



EUROPEAN CARE HOME MARKET | ROBUST PROPERTY PERFORMANCE

ROBUST PROPERTY PERFORMANCE

- A **robust set of property fundamentals** is attracting investors to healthcare and helping to counterbalance previously cautious attitudes.
- Occupancy rates are among the highest of any property class, typically **close to 90%**, with a constant flow of residents needing care beds.
- Lease lengths for care operators are usually between **20 and 30 years** and rents are typically linked to national price indices, acting as a hedge against inflation.
- This is already putting downward pressure on yields in key countries, particularly at the prime end of the care home market where yields are approaching 4-5% (NIY).

**91 % OF TOTAL NURSING
HOME CAPACITY
ALREADY UTILISED**



63,000
Nursing homes
4,300,000
Places

EUROPEAN STATUS 2020

Sources:

Cushman & Wakefield Nursing Homes | German Real Estate

Statistisches Bundesamt, Bundesanstalt für Bevölkerungsforschung

Division of Information, Evidence, Research and Innovation WHO Regional Office for Europe - Number of nursing and elderly home beds

**

**Continued yield
compression in
key countries,
with increasing
opportunities in
still highly
fragmented
markets**

**

**

**A Market
Poised For
Growth**

**

**RATIO OF
CONTRIBUTION PAYERS
TO PENSIONERS**



1/6
1960



1/2
2015

PRIVATE SECTOR PENETRATION

- Looking across Europe, there are clearly a number of factors that will drive growth in the elderly care home market. An ageing population is the root of this growth with care bed **demand projected to bulge** to uncharted levels across many developed economies. Many countries are already feeling the strain of this with occupancy levels nearing capacity and informal methods of care beginning to look unsustainable as the medical needs of the elderly become more acute.

CONSOLIDATION & INTERNATIONAL EXPANSION

- A largely fragmented and state-controlled care sector has historically limited the investment opportunity, but this is now beginning to change with major private sector operators increasing their market share and expanding their operations home and abroad.
- Continued **market consolidation** is expected to **create more real estate opportunities** going forward at a time when investors are turning to alternative sectors.



Threestones Capital Background

- Threestones Capital is an AIFM (regulated Alternative Investment Fund Manager). The company manages regulated investment vehicles in compliance with European financial regulations.



Achieved target returns



Value creation model



Seasoned Professionals



*Nursing Home: Bad Malente (Germany)
Year of Acquisition: November 2018*





OVERVIEW AND EXPERIENCE

LEADING EUROPEAN FUND MANAGER IN HEALTHCARE REAL ESTATE

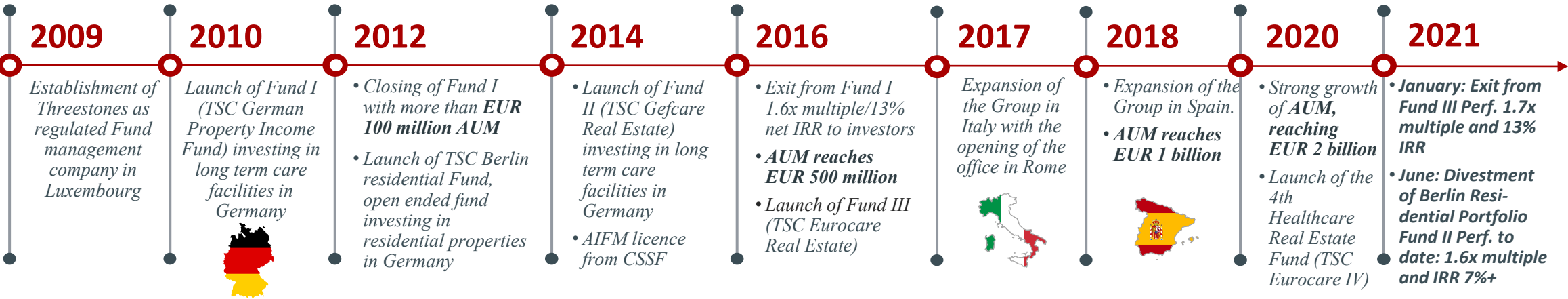
- **Founded in 2009** and managed by its **3 founding partners**
- **Authorised AIFM** fund manager regulated in Europe (Luxembourg).
- **Vertically integrated platform**, strong local operational presence in target markets and in-house property management.
- **> EUR 2 billion Aum / 120+** completed transactions
- Senior professionals **average 60 + years of experience** in the real estate industry and have specialized in care properties and senior housing properties for over a decade.
- Deep local **relationships across target markets (Germany, Italy, Spain)** providing on-the-ground market knowledge and proprietary deal flow.

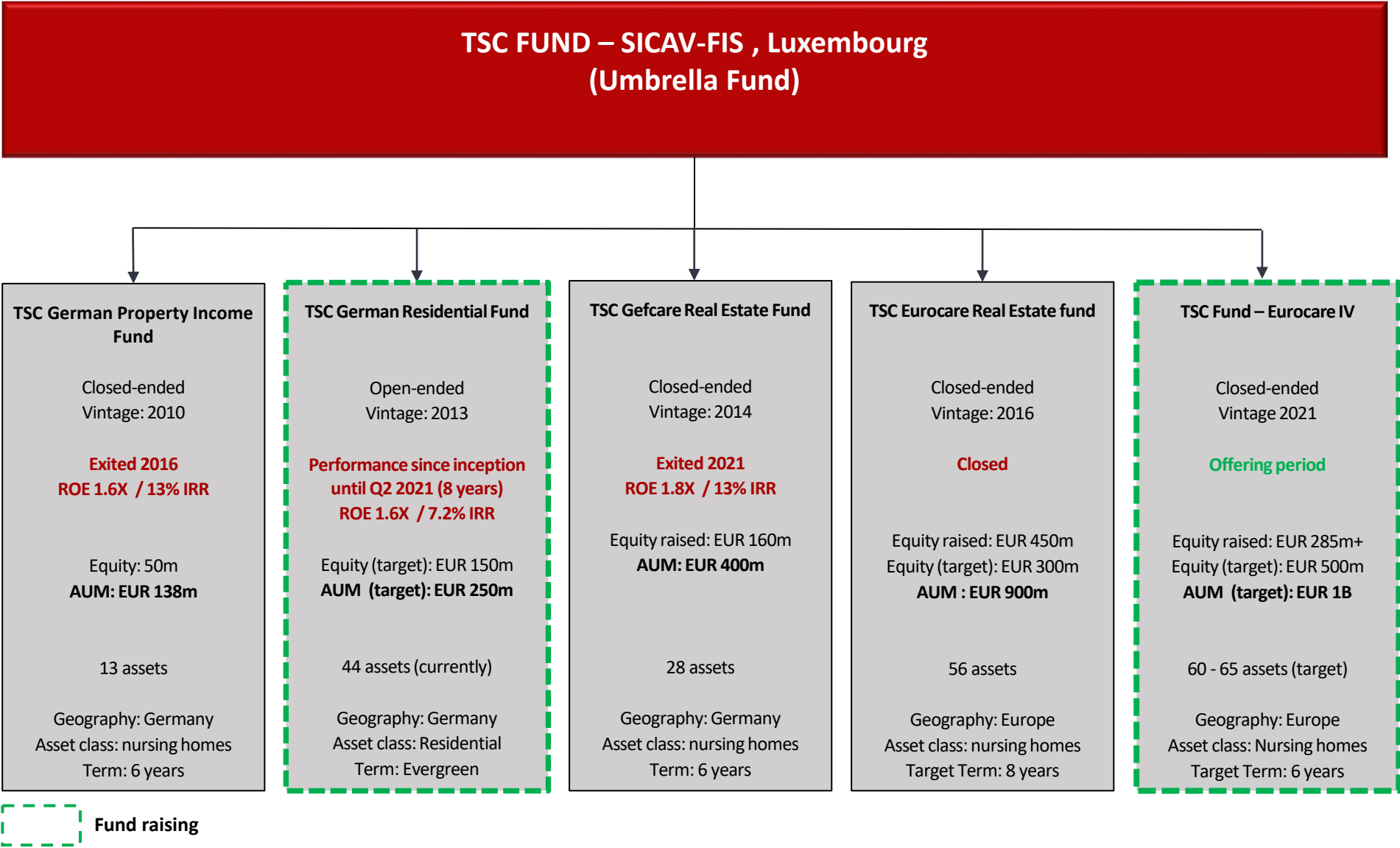
Extensive network in the local markets. Investing in properties operated by the top European care home / healthcare operators.



 **> 100 properties**  **> 9,300 + beds** **M² > 450,000 sqm**

GROUP TIMELINE







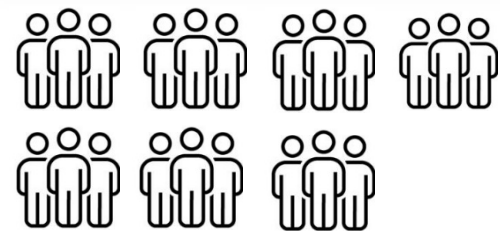
INTEGRATED TEAM OF 58 PROFESSIONALS – ON THE GROUND EXPERIENCE

THREESTONES CAPITAL
LUXEMBOURG

21 EMPLOYEES

Fund and Investment Management

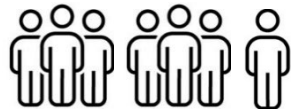
- Fund Management
- Asset Management
- Strategy
- Acquisition
- Disposals
- Due Diligence



TSC REAL ESTATE (ITALY)

7 EMPLOYEES

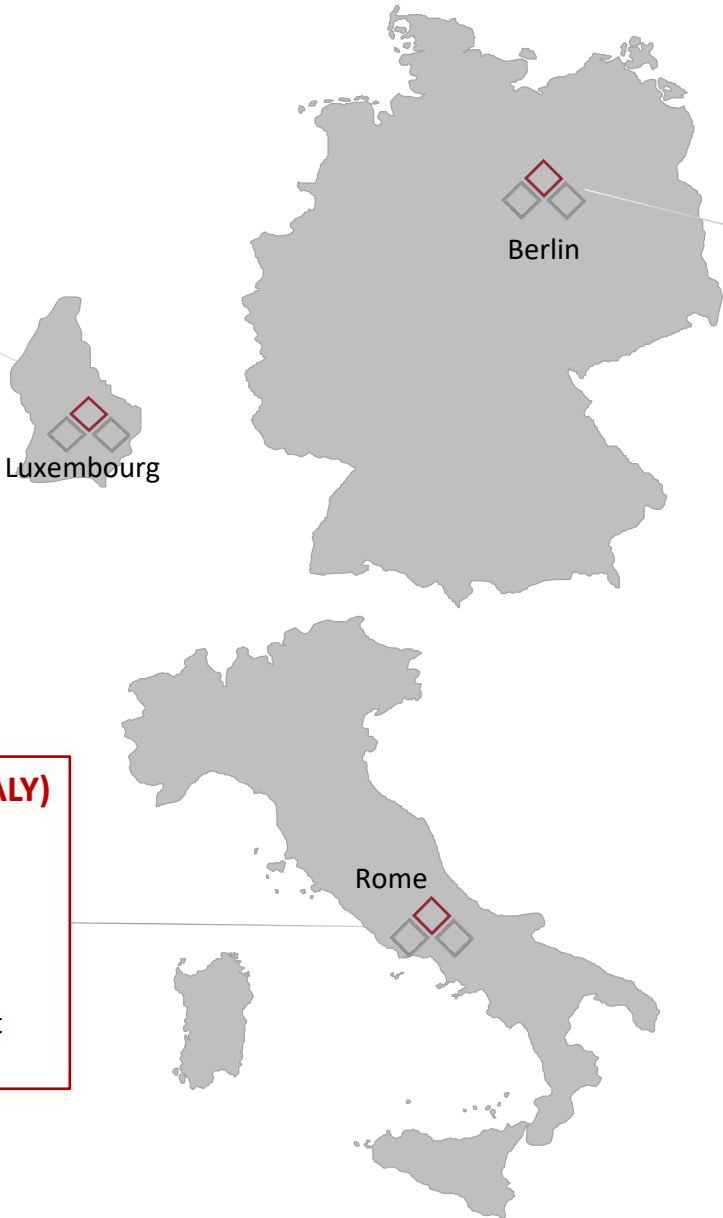
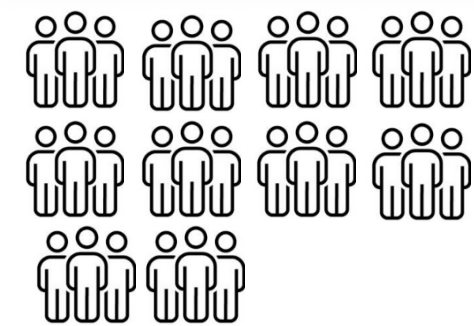
- Acquisitions
- Disposals
- Due Diligence
- Domiciliation
- Property Management
- Accounting



TSC REAL ESTATE (GERMANY)

30 EMPLOYEES

- Asset Management
- Property Management
- Acquisitions
- Disposals
- Due Diligence
- Domiciliation
- Accounting





Threestones Capital Track Record

- Consistently delivering on performance targets for the last 10 years



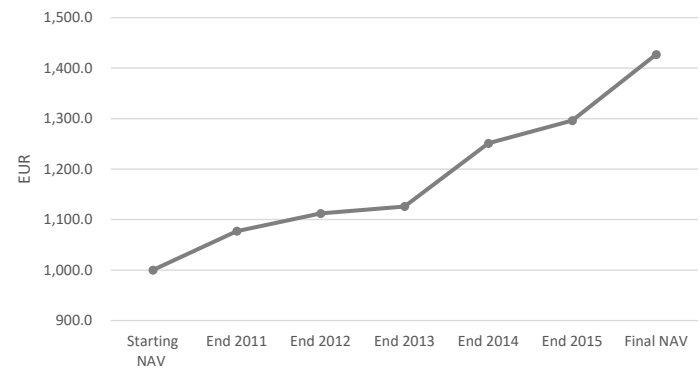
*Nursing Home: Grasleben (Germany)
Year of Acquisition: November 2015*



FUND I – EXIT COMPLETED, TARGET PERFORMANCE REACHED

- Vintage: 2010
- Exit: 2016
- **13 assets** across Germany
- **Quarterly distribution** since Q4 2010
- Average annual dividend **4.5%**
- **IRR net** **13%**
- **MOIC** – Multiple on Invested Capital **1.6x**
- Threestones remains the property manager of these assets

TSC Fund – German Property real estate fund performance



WETZLAR



LEHRTE 1



SULZBACH



BAD SOODEN



BIELATAL



LÜBECK



LEHRTE 2



STRAUSBERG



STEMWEDE



IGERSHEIM



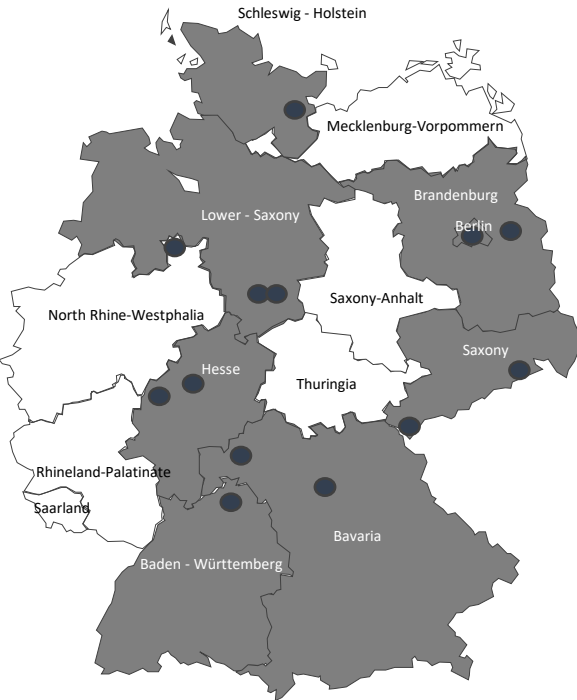
BERLIN



MAINASCHAFF



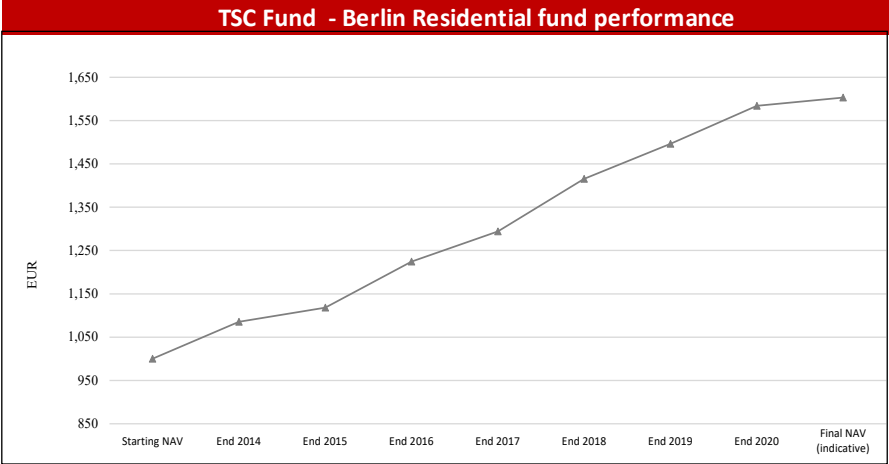
BAD ELSTER





FUND BERLIN RESIDENTIAL – DIVESTMENT BERLIN RESIDENTIAL PORTFOLIO

- Vintage: 2013
- Divestment of Berlin Residential Portfolio
- **19 assets** across Berlin
- **Quarterly distribution** since Q3 2013
- Average annual dividend **3.34%**
- **IRR net** **7.2%**
- **MOIC** – Multiple on Invested Capital **1.6x**



KARL MARX 20



LINIENSTR. 134



SCHÖNEBERGER 5-



HINDENBURGDAMM 58A



NONNENDAMMALLEE.82+82A



DEULSTR. 23



TURMSTR. 53-54



URBANSTR. 124



BREITE STR. 16



LUTHERSTRASSE 6



KLOSTERSTR. 31



AKAZIENSTR. 27



RESIDENZSTR. 9



WUNDTSTR. 7-9



PICHELSDORER STR 126



ZOSSENERSTR. 19



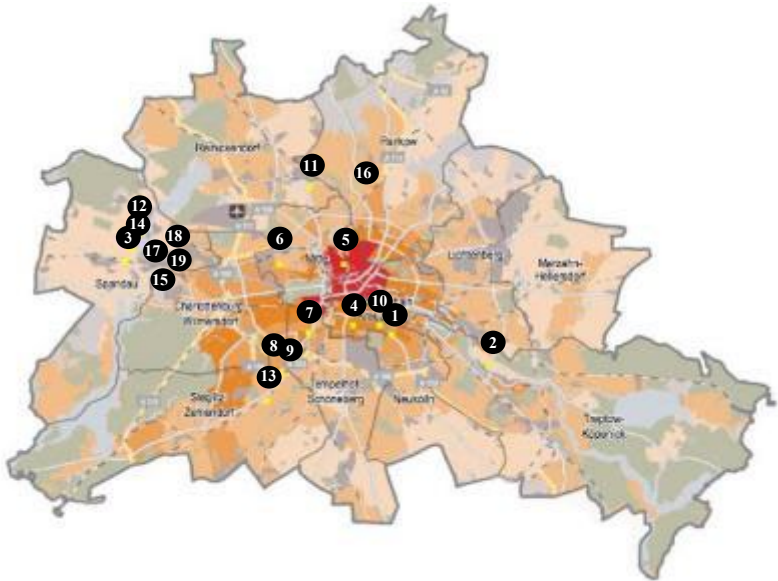
FEUERBACH. 31



KURSTR. 15



MÜHLENSTR. 31





FUND II – EXIT COMPLETED, TARGET PERFORMANCE REACHED

- Vintage: 2014
- Exit: 2020
- **28 assets** across Germany
- **Quarterly distribution** since Q1 2015
- Average annual dividend
- **IRR net**
- **MOIC** – Multiple on Invested Capital

3.27%

13%

1.8x

TSC Fund - Gefcare Real Estate fund performance

Time Point	Value (EUR)
Starting NAV	1000
End 2015	1050
End 2016	1080
End 2017	1050
End 2018	1150
End 2019	1200
Final NAV	1700





FUND III – CURRENT PORTFOLIO

DORTMUND



HOMBURG



BREDSTEDT



WIENSBAD



DORMELLETO



CERRO MAGGIORE



ERACLEA



KRONENBURG



HAGEN



SCHWARZENBORN



HAUS SIMON



BERGAMO



ANCONA



TARZO



GARTENSTADT



PLAUEN



WEILMÜNSTER



MEHREN



SANREMO



NEPI



VALPERGA



KURLERSTRASSE



BLANKENRATH



BADDECKENSTEDT



VILLA GISELLA



SAVONA



ARCINAZZO



BERNAREGGIO



NEUKIRCHEN



FLensburg



LAUENAU



LUTJENBURG



PARABIAGO



BASALUZZO



MILAN



BAD OYENHAUSEN



BAD MALENTE



WIEFELSTEDE



MAGDEBURG



EL CONGOST



ZARAGOZA



VILLA ALFIERI



TORLAK



STOLLBERG



HOLZWICKEDE



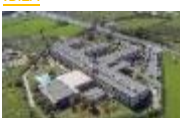
DUISBURG



PUNTE VIESGO



IBIZA



BURGOS



LUTTER AM BARENBERGE



BAD KÖNIG



ERBACH



BEDBURG-HAU



VALLDORREIX



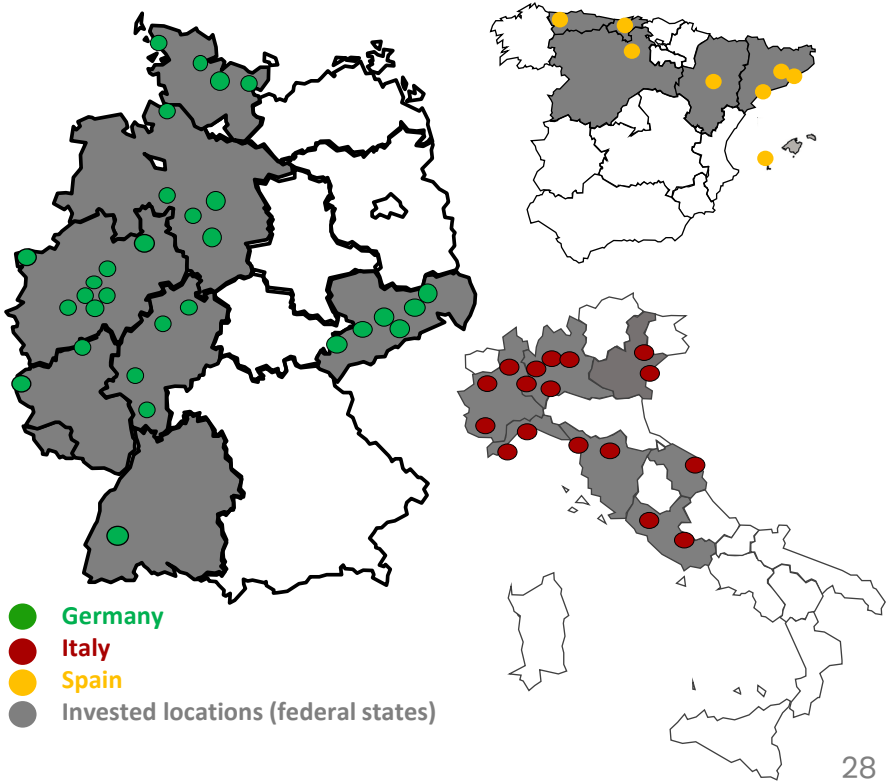
CAMBRILS



OVIEDO



- EUR 450 million equity
- AUM EUR 800 million
- Current portfolio of 56 properties spread over Germany, Italy and Spain
- Quarterly distributions
- Target net IRR 10-12%, 1.6X -1.7X





MAIN RISKS AND CONTROL FACTORS

RISKS	RISK MITIGATION AND CONTROL FACTORS
OPERATIONAL RISK AND RISK OF TENANT DEFAULT (NURSING HOME OPERATOR)	<ul style="list-style-type: none">▪ Thorough and regular due diligence on the operator.▪ Independent third-party credit and quality ratings on the operator.▪ Control of rent payments.▪ Monitoring occupancy rates.▪ Direct payment clause in the lease agreement.▪ Capacity to step in to take over operational management.
FINANCIAL RISK	<ul style="list-style-type: none">▪ Conservative debt ratios (max 50% LTV).▪ Fixed interest rate.▪ Variable interest rate with a cap.▪ Amortisation of the loans.
REPUTATION RISK & MISMANAGEMENT	<ul style="list-style-type: none">▪ Due diligence on the seriousness of the operator: the operators are selected based on their proven reputation and high recognised standing in the market.▪ Technical inspection performed by independent experts will be carried out to check if the property presents the high required technical standards and it is in compliance with the latest regulations.▪ Analysis of the ratings and the quality controls carried out by public and private bodies.▪ Ability to take over in the operation in the event of default (through an operator).▪ Qualitative assessment of the structure based on the method MDK (German rating).
REGULATORY & LEGAL RISKS	<ul style="list-style-type: none">▪ Monitoring of current and new rules & regulations.▪ Regular contacts with industry participants and local authorities to anticipate changes.



DISCLAIMER

This product may only be offered to “well-informed” investors in the meaning of the Luxembourg law of 13 February, 2007 relating to Specialized Investment Funds (SIF law). Investors who qualify neither as institutional investors nor as professional investors are only authorized to commit to invest in the Fund provided, they comply with requirement set forth under article 2 of the SIF law.

This presentation does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this presentation and of any person wishing to subscribe to this product to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions.

WELL – INFORMED INVESTOR

has the meaning ascribed to it by article 2 of the SIF Law, and includes:

(A) Institutional investors;

(B) Professional investors, being those investors who are, in accordance with Luxembourg laws and regulations, deemed to have the experience, knowledge and expertise to make their own investment decisions and properly assess the risk they incur; and

(C) Any other well-informed investor who fulfils the following conditions:

Declares in writing that he adheres to the status of well-informed investor and invests a minimum of EUR 125,000 in the Fund, or any equivalent amount in another currency; or

Declares in writing that he adheres to the status of well-informed investor and provides an assessment made by a credit institution within the meaning of the Directive 2006/48/EC, by an investment firm within the meaning of Directive 2004/39/EC or by a management company within the meaning of Directive 2001/107/EC, certifying his expertise, his experience and his knowledge in adequately appraising an investment in the Fund.

FOR SWISS PROSPECTIVE INVESTORS

The Fund has not been approved for distribution in or from Switzerland by the Swiss Financial Market Supervisory Authority. As a result, the Fund’s shares/units may only be offered or distributed to qualified investors within the meaning of Swiss law.

The Representative of the Fund in Switzerland is Bastions Partners Office SA with registered office at Route de Chêne 61A, 1208 Geneva, Switzerland. The Paying Agent in Switzerland is Banque Cantonale de Genève with registered office at Quai de l’Île 17, 1204 Geneva, Switzerland. The place of performance and jurisdiction for Shares/Units of the Fund distributed in or from Switzerland are at the registered office of the Representative.



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