

Key Information Document

TSC Fund - Eurocare IV Fund Class D Limited Shareholders



Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Name: TSC Fund – Eurocare IV Fund Class D Limited Shareholders
ISIN: LU2364760657
Alternative Investment Fund Manager (the “AIFM”) and Product Manufacturer: Threestones Capital Management S.A.
Supervisory Authority of the Product Manufacturer: Commission de Surveillance du Secteur Financier (CSSF)
Contact for further information: Email: info@threestonescapital.com Tel: +352 2472811

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You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type: Eurocare IV Fund (the “Fund”) is a closed-ended sub-fund of TSC Fund, an alternative investment fund incorporated under the laws of Luxembourg as an investment company with variable capital – specialised investment fund (société d’investissement à capital variable – fonds d’investissement spécialisé).

Objectives: The main investment objective of the Fund is to generate above average income and to maximise mid-term capital appreciation by investing in health care properties, while reducing investment risks through diversification. The Fund aims to mainly invest in the Healthcare market in Europe. In particular the Fund will also invest in the emerging and highly fragmented Specialised Health Care sector.

The Fund will seek to build a diversified portfolio of Health Care Properties in accordance with the Investment Powers and Restrictions, with a view to selling its entire portfolio at the end of its Term, benefiting from the Net Asset Value growth during the Investment Period and the “portfolio effect” in a highly fragmented market.

The Fund may on an ancillary basis invest in Real Estate assets and/or in rights and securities related to Real Estate and/or in development

or refurbishment projects, which do not need to be related to the healthcare sector and may include, without limitation, investments in residential, hospitality, office, smart living, logistics and shopping property as well as undeveloped land. Furthermore, the Fund may also invest up to 20% in Target Funds (including other Sub-funds) or listed stocks related to the Health Care Properties sector or more generally to the Real Estate sector.

The Fund will seek to deliver a target distribution yield of 3% per annum paid quarterly on Invested Capital on average over the life of the Fund, as market conditions allow.

The main factors upon which return depends are the level of rental income and the interest rate linked to the leverage of the Fund.

The Fund’s currency is Euro.

Intended investor: This product is intended for Well-Informed investors who are prepared to take a relatively high level of risk of loss to their invested amount(s) in order to get a higher potential return, and who plan to stay invested on a long-term basis.

The investors should adhere to the status of well-informed investor pursuant article 2 of the Law of 13 February 2007 and invest a minimum of EUR 125,000, or any equivalent amount in another currency. Such minimum initial investment amount cannot be split.

Maturity: The Fund is established for an initial term of 6 years from its first closing (which took place on 31 December 2020), subject to two consecutive one year extension at the discretion of Threestones Capital Management. At the conditions set out in the Placement Memorandum, Threestones Capital Management S.A. may at its option compulsorily redeem all shares of the Fund, liquidating the same prior to the date the Fund’s maturity.

What are the risks and what could I get in return?

Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.



The actual risk can vary significantly if you cash in at a time other than the recommended holding period of 6 years.

It may not be possible for you to cash in early and the investment period is subject to two consecutive one-year extension at the discretion of Threestones Capital Management as explained in the Placement Memorandum.

We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market are very likely to impact our capacity to pay you.

You will not receive payments in a different currency. You may not be required to make further payments to pay for losses. The total loss you may incur may not exceed the amount invested.

The Fund also bears the other risks that are not explained by the summary risk indicator :

- Lack of liquidity of the Fund,
- Risk of Defects or Other Problems in Real Estate,
- Environmental Liability.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

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Performance scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Investment of EUR10,000		If you cash in after 1 year	If you cash in after 3 years	If you cash in after 6 years (recommended holding period)
Stress scenario	What you might get back after costs	EUR 9,275.25	EUR 9,092.39	EUR 9,575.92
	Average return each year	-7.25%	-3.12%	-0.72%
Unfavorable scenario	What you might get back after costs	EUR 9,362.10	EUR 9,697.86	EUR 10,776.47
	Average return each year	-6.38%	-1.02%	1.25%
Moderate scenario	What you might get back after costs	EUR 9,883.20	EUR 11,584.30	EUR 14,546.02
	Average return each year	-1.17%	5.02%	6.44%
Favorable scenario	What you might get back after costs	EUR 10,061.00	EUR 12,985.12	EUR 16,657.29
	Average return each year	0.61%	9.10%	8.88%

This table shows the money you could get back over the next 6 years, under different scenarios, assuming that you invest EUR10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product.

This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

➤ What happens if Eurocare IV Fund is unable to pay out?

The investor may face a financial loss due to the default of the Fund. This loss is not covered by an investor compensation or guarantee scheme.

Upon the dissolution of the Fund in the context of insolvency proceedings, the assets of the Fund will be liquidated in an orderly manner and all investments or the proceeds from the disposal or liquidation of investments will be distributed to the Limited Shareholders in compliance with the distribution policy.

➤ What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest EUR10,000. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment of EUR10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 6 years (recommended holding period)
Total costs	EUR 946.80	EUR 2,644.86	EUR 3,720.28
RIY (Reduction in Yield)	9.09%	4.92%	3.88%

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Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.42%	The impact of the costs you pay when entering the investment. This is the most you will pay, and you would pay less.
	Exit costs	None	The impact of the costs of exiting your investment, when it matures.
Ongoing costs	Portfolio transaction costs	1.10%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.98%	The impact of the costs (of the share classes and underlying investment) take each year for managing your investments.
Incidental costs	Performance fees	None	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.*
	Carried interests	0.38%	The impact of carried interests. We take these from your investment if the product outperforms.

* if applicable

➤ How long should I hold it and can I take my money out early?

Recommended holding period: until the Fund's maturity.

The Fund is a closed-ended fund and the holding period has been determined in relation to the Fund's investment objective and strategy. Redemption of the shares cannot take place at investor's request prior to the maturity of the Fund. However, at conditions set out in the Placement Memorandum, Threestones Capital Management may at its option compulsorily redeem all shares of the Fund prior to maturity.

➤ How can I complain?

Investors may file complaints free of charge, either directly with Threestones Capital Management or via their financial intermediary, through personal delivery, in writing (by mail or email). Where filed directly to Threestones Capital Management the complaint shall be addressed to the Compliance Officer at the following address:

Threestones Capital Management S.A.
23 rue Aldringen
L-1118 Luxembourg
Grand Duchy of Luxembourg
inv.relations@threestonescapital.com

The compliant notice shall include inter alia a detailed description of the situation giving rise to the complaint and clearly indicate that a complaint is being lodged against Threestones Capital Management. The complaint will be handled by the Compliance Officer. Threestones Capital Management will make all reasonable efforts to respond to the complaint within one month of receipt thereof. The Complaint Handling policy is available to investors, free of charge, upon request made to the above email address and available on Threestones Capital Management website at www.threestonescapital.com.

➤ Other relevant information

You can get further information about this product, including such as the product's latest prospectus and annual reports. These documents and other product information are available on request.

Without prejudice to ad-hoc reviews, this Key Information Document is updated every 12 months.