

# Key Information Document

## Informal Translation from Dutch to English

### 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

Urbanic BV has developed the investment Urbanic Netherlands III CV. The competent authority with respect to this Key Information Document is the Authority Financial Markets. Urbanic BV has prepared this Key Information Document on April 1, 2020.

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

### What is this product?

**Type:** Urbanic Netherlands III CV is an investment fund in the form of a Commanditaire Venootschap (Dutch limited partnership) and is transparent for Dutch tax purposes. Urbanic Netherlands III BV is managing partner of Urbanic Netherlands III CV. Urbanic BV is the fund manager.

**Objectives:** Urbanic Netherlands III CV invests in residential properties in large cities in the Netherlands. The objective of the fund is to earn a return for investors by purchasing residential properties with their capital, prepare these residences for communal living, to rent these properties to groups of people and anticipates to sell these properties after a 5 to 8 year period. The return is dependent on the rental income from the residences (direct return), the profit realized with the sale of the properties (indirect return) and the costs incurred by the fund. The costs include among others the cost for the creation and the management of the fund and the cost for buying and selling the properties, including amounts that will be paid to Urbanic BV. The expectation is that as a result of market conditions the rental income will be rather stable. As it is more difficult to predict the future value of properties, it is important to sell the portfolio at the right moment to achieve the return that Urbanic BV pursues. Urbanic BV expects that such a moment will occur within 5 to 8 years – the expected life of the fund. The recommended holding period for an investment in the fund is the entire life of the fund, that is expected to be 5 to 8 years, but may be shorter or longer.

**Intended retail investor:** this product is suitable for investors with sufficient financial reserves to bear disappointing returns or even losses (up to the amount of their investment), who can properly understand the Information Memorandum, and who:

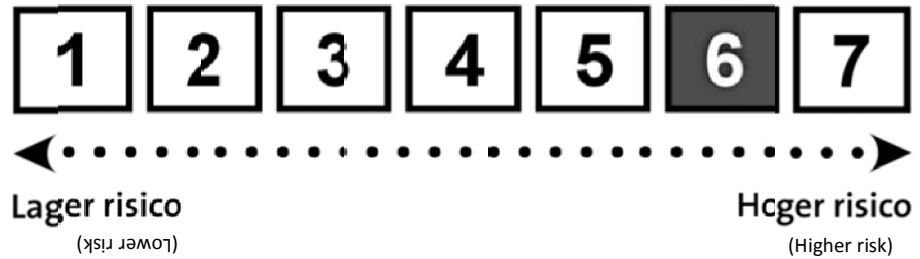
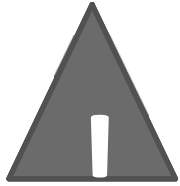
- have a diversified investment portfolio.
- have an investment horizon of at least 4 years.
- have sufficient knowledge and experience with (real estate) investments.
- Have sufficient knowledge and experience with investments where the assets are partially financed by debt.

**Termination of the Investment:** the fund has an expected life of 5 to 8 years. The fund terminates automatically when all properties are sold and normally not before that moment.

## What are the risks and what should I get in return?

The summary risk-indicator provides guidance as to the risk level of the product relative to other products. The indicator shows how big the chance is that the investors incur losses on the product as a result of market developments or as a result of lack of money to make payments.

The assessment below of the risk as high (class 6) is mandatory for investment funds such as Urbanic Netherlands III CV, of which the assets over the past 5 years have been valued on a less than monthly basis.



For the risk-indicator it is assumed that you invest in the product for the entire life of the fund. If you sell before that moment the return can deviate significantly. Possibly you will encounter impediments to sell your participation or you have to sell at a price that deviates significantly from the amount invested.

We have classified this product in category 6 out of 7; that is the second highest risk category. That means that the potential losses on future performance are deemed high, and that the chance that the fund will make lower or no distributions as a result of bad markets is deemed high. Also risks such as vacancy or other setbacks in the exploitation of the properties can occur. As this product is not protected against future market performance, you can lose your investment wholly or partially.

Investment scenarios	At an investment of € 10.000	End of anticipated fund life (eight years)
<b>Negative scenario</b>	What you can get back after costs. Average return per year	€ 10,600 1.0%
<b>Average scenario</b>	What you can get back after costs Average return per year	€ 18,000 10.69%
<b>Positive scenario</b>	What you can get back after costs Average return per year	€ 24,800 16.4%

This table shows how much money you could get back until the end of the expected life of the fund (8 years) in different scenarios if you invest € 10.000. The scenarios show the possible return on your investment. You can compare them with the scenarios of other products. The scenarios presented are an estimate of the future performance on the basis of past data on how the value of this type of investment fluctuates and don't give a precise indication. What you receive depends on the performance of the market and how long you hold your investment. This product cannot easily be sold. That implies that it is difficult to assess how much you will receive if you decide to sell before the end of the recommended holding period. Selling before the end of the life of the product is, depending on the market and personal circumstances, not possible or only at a significant loss. The amounts presented are net of all cost of the product itself but do not include amounts you pay to your advisor. The amounts do not take your personal tax situation into account, which may influence how much you may receive.

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## What happens when Urbanic BV cannot pay?

The investor will not be financially affected if Urbanic BV cannot pay. All assets of Urbanic Netherlands III CV are legally separated from the Urbanic BV and Urbanic Netherlands III BV's assets so that financial problems of Urbanic BV will not affect the investor.

## What are the costs?

The reduction of the return shows what effect the total costs that you have to pay have on your possible return on investment. The total costs include onetime, fixed and incidental costs. The reflected amounts are the cumulative costs of the product itself for the period of investment. Potential sanctions for an early sale are included. The amounts are based on the assumption that you invest € 10,000 and that the life of the fund is 8 years. The amounts are estimates and can change in the future.

<b>At an investment of € 10,000</b>			<b>If you sell at the end of the expected life of the fund (eight years)</b>
<b>Total costs</b>			€ 8,472
<b>Impact on annual return</b>			10.59%

The table below presents the following:

- The impact that different cost categories have annually on the possible return on investment at the end of the eight year period;
- The meaning of the different cost categories.

### This table shows the impact on annual return

<b>One time costs</b>	<b>Entry fees</b>	n/a	Cost when you make an investment in the fund.
	<b>Start-up costs</b>	0.06%	Costs for the creation of the fund
	<b>Exit costs</b>	n/a	Cost at the end of the life of the fund
<b>Running costs</b>	<b>Purchase costs</b>	1.00%	Costs of purchasing properties
	<b>Exploitation and fund costs</b>	2,85%	Exploitation and fund costs borne by the fund
	<b>Interest costs on mortgage financing</b>	6.50%	Interest cost on mortgage financing
	<b>Sales costs</b>	n/a	Cost of selling properties
<b>Incidental costs</b>	<b>Performance fee fund manager</b>	0.18%	The fund manager receives 20% of the annual return over 5%.

## How long should I keep it and can I get my money out before?

Due to the character of the investments and the investment objective it is recommended to hold the investment during the entire expected life of the fund (eight years). Getting out earlier can lead to a considerable lower return on investment. It is uncertain whether you can get your money back earlier. That is only possible if another investor wants to acquire your participation in the fund. In addition the transfer to a new investor requires the consent of all partners of Urbanic Netherlands III CV. There are no sanctions, costs or fees if you exit before the end of the life of the fund.

## How can I file a complaint?

For complaints you can contact Urbanic BV (arco.bakker@urbanic.nl).