

OBJECTIVE

This document provides you with key investor 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

Accolade Industrial Fund

Accolade Industrial Fund is a sub-fund of ACCOLADE FUND SICAV p.l.c. (hereinafter the “Fund”). It is a Alternative Investment Fund for qualified investors. Investments in the Fund may be in CZK, EUR or PLN.

Product identification (ISIN)

MT7000018404; MT7000014932; MT7000018412; MT7000014940; MT7000030508; MT7000030524; MT7000030516; MT7000030532; MT7000030565; MT7000030573; MT7000030581; MT7000030599

The Fund is supervised and regulated by the Malta Financial Services Authority (www.mfsa.com.mt).

The global administrator, Alter Domus (www.alterdomus.com), acts as the Fund administrator.

The Fund’s real estate portfolio is managed by the Accolade Group. For more information, please visit www.accolade.cz or call +420 220 303 019.

Minimum investment: EUR 75,000 or its equivalent in CZK; 100.000 EUR for Polish investors or its equivalent in PLN.
Holding period: 5 years.

This key information document was prepared on 1st of October 2021.

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

WHAT IS THIS PRODUCT?

Type

The product is an Alternative Investment Fund for qualified investors.

Investment strategy

The objective of the Fund is to maintain the value of your investment and achieve medium to long-term returns. The fund achieves this objective by investing in industrial commercial properties that are subsequently leased to manufacturing, logistics, and e-commerce companies. The Fund achieves returns on its investments by collecting rent from the leased industrial and logistics properties and thanks to the increase in value of the properties¹ in which it invests. The Fund has been established for an indefinite period of time.

The Fund’s strategy is to hold a balanced, diversified portfolio of industrial commercial properties in the Czech Republic, Slovakia, Hungary, Poland, Germany, Russia, Ukraine, and other EU countries, as appropriate. The Fund only invests in “A-class” industrial commercial properties, as defined by CBRE (www.cbre.cz); this includes warehouses or manufacturing properties, or other commercial real estate within this definition.

INTENDED INVESTOR?

The Fund is intended for qualified investors with advanced knowledge and experience in the area of investments.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk indicator

The risk indicator assumes you will keep the product for the period of five years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. The value of investments may go down as well as up and is not guaranteed; therefore investors may not get back the amount originally invested.



According to legislation, the Fund is assigned to class 6 of 7 due to illiquid underlying assets (industrial rental properties). The fund is priced on a less regular basis than monthly. The valuation of the Accolade Fund is carried out every six months, with more frequent extraordinary valuations possible. The valuations thus respect the rate of change (if any) in the value of the Fund’s underlying assets.

The summary risk indicator does comprise the following:

- Liquidity risk – it consists in the nature and focus of the Fund – i.e. investments in industrial commercial properties.
- Currency risk – the Fund’s product is denominated in EUR; consequently, any investments in CZK are also exposed to foreign exchange risk.

This product does not include any protection from future market performance so you could lose some or all of your investment.

¹ The below specified “Moderate” and “Favourable” scenarios do not consider any increase in the property value.

The following table specifies the return of the investment for the next five years, under different scenarios, assuming that you invest CZK 2,040,000.

data: Q4 2020	Year	2021	2024	2026
Scenario		1 year	3 years	5 years
Stress - combination (I)(II)	What you might get back after costs	1,868,270.94	1,594,041.55	1,296,736.37
	Average return each year	-8.42%	-7.89%	-8.66%
Unfavourable (I) - decrease in prices	What you might get back after costs	1,987,803.62	1,963,633.53	1,939,757.32
	Average return each year	-2.56%	-1.26%	-1.00%
Unfavourable (II) - tenants' bankruptcy	What you might get back after costs	2,081,315.88	2,214,286.45	2,327,769.76
	Average return each year	2.03%	2.77%	2.67%
Moderate - profits retained	What you might get back after costs	2,172,809.63	2,501,769.04	2,824,351.32
	Average return each year	6.51%	7.04%	6.72%
Favourable - profits reinvested	What you might get back after costs	2,179,666.62	2,568,575.64	3,023,865.77
	Average return each year	6.85%	7.98%	8.19%

- Stress scenario combines Unfavourable scenarios I & II.
- Unfavourable (I) - loss of rent up to the amount of debt service.
- Unfavourable (II) - property value declining, i.e. core yield increase in average of 8 bps every quartal.
- Moderate - excessive disposable funds that are not invested. The scenario does not consider any increase in the property value.
- Favourable - the Fund achieves solid performance. The scenario does not consider any increase in the property value.

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.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

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 ACCOLADE FUND SICAV IS UNABLE TO PAY OUT?

Any commitments between you and the Fund are not covered under any investor guarantee or compensation scheme.

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. The figures assume you make a one-off investment of CZK 2,040,000 at the beginning of the period.

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 - CZK 2,040,000

If you cash in:	At the end of the 5-year recommended holding period - Favourable scenario			At the end of the 5-year recommended holding period - Stress scenario		
	After 1 year	After 3 years	After 5 years	After 1 year	After 3 years	After 5 years
Total costs	CZK 75,569	CZK 97,665	CZK 114,734	CZK 35,331	CZK 31,302	CZK 40,921
Impact on return (RIY) per year	5.68%	4.52%	4.28%	3.36%	2.13%	2.05%

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

		Favourable scenario	Stress scenario	
One-off costs	Entry costs	0.43%	0.97%	The impact of the costs you pay when entering the Fund. This is the most you will pay and you could pay less. This namely includes the costs of distribution of your product.
	Exist costs	0%	0.31%	The impact of the costs of exiting your investment when it matures. This fee may only be charged if the total redemption exceeds 10% of the sub-fund's NAV. In such case, the redemption fee may be up to 1% of NAV. This fee may be waived, at the discretion of the Fund's Board of Directors. The favourable scenario does not take this fee into account.
Ongoing costs	Portfolio transaction costs	0%	0%	This fee is not applied.
	Other ongoing costs	1.68%	0.90%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	1.99%	0%	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark - difference between High Water Mark and GAV after deducting the management costs.
	Carried interests	0%	0%	This fee is not applied.

Explanation:

NAV - Fund's net asset value

GAV - net asset value of any share class before any performance fees as at the valuation date.

High Water Mark - the highest net asset value of any share class recorded in the periods prior to the current valuation.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY MONEY OUT EARLY?

Required minimum holding period: 5 years

The investment cannot be disinvested before the minimum holding period expires.

HOW CAN I COMPLAIN?

If you believe we failed to comply with contractual provisions or act in violation of applicable regulations, you can make a complaint that shall include your name or organisation name, address, contact details, and description of the relevant issue, including associated documents. Complaints may be lodged by letter to the following address:

Alter Domus Services Malta Limited

Vision Exchange Building
Triq it-Territorjals, Zone 1
Central Business District
Birkirkara, CBD 1070
Malta

or to the following email: admt-aafa@alterdomus.com.

OTHER RELEVANT INFORMATION

Other information and documents about the product shall be provided to investors on request. In order to gain detailed understanding of the product, we strongly advise you to consult the documents.

- Offering Memorandum
- Fund Particulars Supplement
- Commitment Agreement