

KEY INFORMATION DOCUMENT



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

Starwood European Real Estate Finance Limited (PRIIP)

ISIN: GG00BRC3R375

Manufacturer:

Name: Starwood European Finance Partners Limited (the "Company")

Contact Details: For more information call +44 (0) 203 5303 630

Website: www.starwoodeuropeanfinance.com

Competent authority: The Financial Conduct Authority ("FCA") is responsible for supervising Starwood European Finance Partners Limited (the "Company") in relation to this Key Information Document. Starwood European Real Estate Finance Limited is authorised in Guernsey and regulated by The Guernsey Financial Services Commission ("GFSC").

Date of production: 22/04/2024

WHAT IS THIS PRODUCT?

Type : This PRIIP is a non-cellular Company limited by shares with an unlimited life, incorporated under the Companies (Guernsey) Law, 2008 and is listed on the London Exchange Main Market. As such, there is a no maturity date. Shares of the PRIIP are bought and sold via markets.

Term : This product has no maturity date as the loan investments could be extended. However, please refer to the 'Other Relevant Information' section below for details of an orderly realisation.

Objectives : Effective from 29th January 2023, the PRIIPs investment objective is to conduct an orderly realisation of the assets of the Company. The assets of the Company will be realised in an orderly manner, returning cash to Shareholders at such times and in such manner as the Board may, in its absolute discretion, determine. The Company may not make any new investments save that:

- investments may be made to honour commitments under existing contractual agreements or to preserve the value of the underlying security; and
- cash held by the Company pending distribution will be held in either cash or cash equivalents for the purpose of cash management.

Subject to the above restrictions, the Company retains the ability to seek to enhance the returns of selected loan investments through the economic transfer of the most senior portion of such loan investments which would be by way of syndication, sale, assignment, sub-participation or other financing (including but not limited to true sale securitisation, repurchase transactions and loan-on-loan financing). The Company may utilise borrowings from time to time for working capital and general corporate purposes provided such borrowings will not exceed 30% of the Net Asset Value immediately following the drawdown of the borrowings. The Company will not enter into derivative transactions for purely speculative purposes. The Company will continue to comply with the restrictions imposed by the Listing Rules in force and as amended from time to time. The Fund is actively managed and is not managed in reference to any benchmark.

Intended retail investor : This PRIIP will primarily be marketed to institutional and sophisticated investors, investment professionals, high net worth bodies, corporate and unincorporated associations, partnerships and trustees of high trusts and private clients (all of whom will invest through brokers).

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

Risk indicator



Lower risk

Higher risk



The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact our capacity to pay you.

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.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Investors shall note that besides risks included in the risk indicator, other risks such as interest rate risks may affect the Fund's performance. Please refer to the Prospectus for further details.

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

Investment performance information

The assets of the Company will be realised in an orderly manner, returning cash to Shareholders at such times and in such a manner as the Board may, in its absolute discretion, determine. The Board will endeavour to realise all of the Company's investments in a manner that achieves a balance between maximising the net value received from those investments and making timely returns to Shareholders.

As the Company invests across different regions within the UK and the wider European Union's internal market, the return can also be affected by the macro-economic factors impacting on those economies.

The product does not compare its performance to a specific benchmark. However, if you hold the product through an investment advisor/investment manager, that person may set an appropriate benchmark against which you could compare its performance.

What could affect my return positively ?

Higher returns can be expected when the values of the investments selected by the investment manager grow. This may be driven by a wide range of positive macro-economic factors, especially those pertaining to the geographies of the underlying investments. Examples of such factors include strong and stable real economic growth, low and predictable interest rates and expansionary and reliable monetary and fiscal policy. The value of the Company can also increase when the exchange rates of the investments' currencies strengthen against the reference currency.

What could affect my return negatively?

Lower returns can be expected when the values of the investments selected by the investment manager fall. This may be driven by a wide range of negative macro-economic factors, especially those pertaining to the geographies of the underlying investments. Examples of such factors include declining or negative economic growth, high and volatile interest rates and contractionary and uncertain monetary and fiscal policy. The value of the Company can also decrease when the exchange rates of the investments' currencies weaken against the reference currency.

Under adverse market conditions, the Company could suffer significant and prolonged, or even permanent loss of capital. The maximum loss is 100% of the money invested in the Company. There is no minimum guaranteed level of capital to be returned.

WHAT HAPPENS IF STARWOOD EUROPEAN FINANCE PARTNERS LIMITED (THE "COMPANY") IS UNABLE TO PAY OUT ?

The value of the shares in the product is directly impacted by the solvency status of Starwood European Real Estate Finance Limited. There are no investor compensation or guarantee schemes available to investors should the product be unable to pay out.

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, on-going and incidental costs.

Cost 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.

Example Investment of 10,000 GBP	If you exit after 1 year	If you exit after 5 years (RHP)
Total costs	242 GBP	1,319 GBP
Annual cost impact(*)	2.42%	2.42%

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
- What the different cost categories mean

This table shows the impact on return per year			
One-Off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less
	Exit costs	0.00%	The impact of the costs of exiting your investment
Ongoing costs	Portfolio transaction costs	0.92%	The impact of the costs of us buying and selling underlying investments for the product
	Other ongoing costs	1.50%	The impact of the costs that we take each year for managing your investments, including ongoing target funds charges
Incidental costs	Performance fees	NA	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark
	Carried interests	0.00%	The impact of carried interests

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

The recommended minimum holding period: 5 years.

The minimum recommended holding period for the product is 5 years, however, the shares of the PRIIP trade continuously on the London Stock Exchange Main Market and is not bound by any prescribed redemption or sale restrictions.

HOW CAN I COMPLAIN?

As a shareholder of Starwood European Real Estate Finance Limited you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of Starwood European Real Estate Finance Limited. Any complaints concerning this Fund or the Key Information Document should be directed to the following address:

Postal Address: 1 Royal Plaza, Royal Avenue St Peter Port, Guernsey Channel Islands, GY1 2HL.

E-mail: Starwood@apexgroup.com

Website: <https://starwoodeuropeanfinance.com/investors/governance/>

OTHER RELEVANT INFORMATION

Additional Information: Copies of the latest prospectus, annual report, semi-annual report (all available in English) are available free of charge on the Company website; www.starwoodeuropeanfinance.com or on www.londonstockexchange.com. Further information on gearing and borrowing limits can be found on page 48 of the Prospectus dated 2015. However, at the Annual General Meeting held on May 6th 2016, the borrowing limit was increased to 30% of NAV at time of drawdown, of which 20% may be longer term. Depending on how you buy these shares you may incur other costs, including platform fees. The distributor will provide you with additional documents where necessary. In 2023, an impairment provision was recognised in the accounts of SWEF. The only costs included within the ongoing costs – transaction costs is the impairment provision. There were no other transaction costs.

Orderly Realisation: Despite strong portfolio performance, due to a near term likelihood that the Company would no longer be of a viable size to provide Shareholders with sufficient liquidity and scale, and following a review of the Company's strategy and advice sought from its advisors, the Board announced on 31 October 2022 that it intended to recommend to Shareholders that the investment objective and policy of the Company are amended, such that the Board can pursue a strategy of orderly realisation and the return of capital over time to Shareholders. On 28 December 2022, the Company published a Circular containing a Notice of Extraordinary General Meeting ("EGM") to this effect. The EGM was held on 27 January 2023, where Shareholders approved the Company's amended investment objective and policy to pursue a strategy of orderly realisation and return of capital over time to Shareholders. It is expected that it may take approximately 5 years to wind up the Company.

Past Performance: The figures presented in this document are based on past performance and are not a guarantee of future returns. The performance scenarios in the section "What are the risks and what could I get in return?" are presented in accordance with Financial Conduct Authority's PRIIP Regulatory Technical Standards.