



# 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

**Name of Product** Ordinary shares of no par value in Eurocastle Investment Limited (the “**Company**”).

**Name of PRIIP manufacturer** The Company is the PRIIP Manufacturer and is regulated as an authorised closed-ended investment fund by the Guernsey Financial Services Commission. The Dutch Authority for the Financial Markets (AFM) is the competent authority of the Company in relation to this Key Information Document.

**ISIN** GB00B94QM994

[www.eurocastleinv.com](http://www.eurocastleinv.com)

Call +1 212-823-5563 for more information.

This Key Information Document is dated 30 December 2022 and has been prepared on the basis of data in respect of the period from 14 December 2017 to 14 December 2022.

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

## What is this product?

**Type** Ordinary shares in a Guernsey-incorporated closed-ended investment company limited by shares, listed on Euronext Amsterdam. Shares of the Company are bought and sold via markets. Typically, at any given time on any given day, the price at which an ordinary share can be bought will be higher than the price at which it can be sold, and brokers may additionally charge commissions

**Objectives** Prior to 18 November 2019, the Company’s strategy was to focus primarily on investments in Italian performing and non-performing loans (‘NPL’) and other credit receivables, Italian loan servicing platforms, real estate related assets and other related businesses in Italy.

On 18 November 2019, the Company announced a plan to realise the majority of its existing assets, which comprised portfolios of distressed loans and real estate investments with the aim of accelerating the return of value to shareholders (the “Realisation Plan”). On 8 July 2022, the Company announced its intention to relaunch its investment activity and is currently in the early stages of pursuing its new strategy by initially focussing on opportunistic real estate in Greece (the “Relaunch”).

Save for payments of dividends or other returns (e.g. on a winding up) paid by the Company, investors may expect returns through selling their shares through a bank or stockbroker. The risk and reward profile of the Company described in this Key Information Document assumes that you keep the product for the recommended holding period of 3 years.

The Company’s shares are bought and sold on Euronext Amsterdam. The Company has an indefinite life; however, the Board of Directors currently anticipates, pursuant to the Realisation Plan and not taking into account the Relaunch as the Company has not yet re-commenced investing, that the majority of the Company’s existing assets will be realised by the end of 2023.

**Intended retail investor** Shares in the Company are suitable only for sophisticated investors who understand and are willing to assume the risks involved in investing in the Company. Prospective investors should not invest unless they are prepared to bear losses (which may equal the whole amount invested) that may result from such an investment.

The required statements in this Key Information Document on the Company paying you money are misleading. Investors will likely receive some dividends from the Company, but the majority of an investor’s return will come from the sale of their shares when they sell.

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

### Risk Indicator



The risk indicator assumes you keep the product for three years, which is the Recommended Holding Period. Please see the section “What is this product?” above for additional details on the Company’s term.

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 risk indicator assumes you keep the product for 3 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

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 conditions will very likely impact our capacity to pay you.

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

Historically, the shares in the Company have traded at a discount to the Company's net asset value per share, the size of the discount varying depending on a range of factors. The whole amount of your invested capital in the Company is at risk and there can be no guarantee that you will get back any or all of the amount invested on a sale of shares in the Company. Other risks materially relevant to the Company not included in the summary risk indicator are set out in the Prospectus.

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

## Investment performance information

Initially, the Company's goal was to drive strong risk-adjusted returns from European real estate and real estate related investments, which since 2013 was primarily focussed on Italian real estate related assets and non-performing loans. On 18 November 2019, the Company announced the Realisation Plan, and on 8 July 2022, announced the Relaunch. As at the date of this document, the Company has realised the majority of its existing assets under the Realisation Plan, while those remaining are under contract to be sold. The main factors likely to affect returns during the remaining Realisation Plan phase relate to the success in closing on those assets and the time taken to dissolve the underlying investment structures and distribute the proceeds to the Company. The main factors likely to affect returns following the Relaunch will be the ability of the Manager to identify and invest in appropriate investment opportunities, the performance of the assets, and market conditions. Other factors which could have a material impact on performance of the Company, with respect to the Relaunch, are set out in the tender offer circular published in July 2022.

The Company does not have an appropriate reference index, benchmark, target or proxy.

### What could affect my return positively?

The factors that may lead to higher returns are:

- **Availability of investment opportunities:** if the Manager is able to identify appropriate investment opportunities to implement its investment strategy and achieve its desired investment returns under the Relaunch, this would increase the return you get on your investment.
- **Favourable economic conditions:** The value of the Company's portfolio and its investments are dependent on macroeconomic and political conditions. As such the Company, its investment strategy and its investments are likely to perform better in favourable market and political conditions.

### What could affect my return negatively?

The factors that may lead to lower returns on investment are:

- **Risks relating to the Manager:** The Manager has discretion as to implementation of operating policies and strategies, and performance is subject to the risk that the Manager will terminate the Management Agreement and that no suitable replacement will be found. Performance is also dependent on the Manager, including the Manager's strategic relationships so if the Manager is unable to utilise these relationships, this may have a material adverse effect on the company's ability to implement the Relaunch or its strategy.
- **Negative economic conditions:** As noted previously, the value of the Company's portfolio and its investments are dependent on macroeconomic and political conditions. Periods of stress, market instability or negative political developments may have a significant adverse impact on the Company's returns on such investments.
- **Failure to identify appropriate buyer investment opportunities:** The ability to effectively implement investment strategy and achieve the desired investment returns may be limited by the ability of the Manager to identify and acquire appropriate investments.
- **Future share issues:** Future share issues could dilute the interests of existing shareholders and lower the price of the shares, where the Company issues additional shares in subsequent public offerings or private placements at prices that may be lower than the price of the offer shares. It may also not be possible for existing shareholders to participate in such future share issues. The issue of additional shares may also cause the market price of the shares to decline.
- **Exchange rate fluctuations:** Exchange rate fluctuations could adversely affect the value of the shares and any dividends paid on the shares for an investor whose principal currency is not the Euro.
- **Resolution of remaining assets under the Realisation Plan:** Closing on those remaining assets under contract to be sold is not certain and the time taken to dissolve the underlying investment structures could increase costs and result in delays in distribution of proceeds to the Company.

If you cash in your Shares in the Company under severely adverse market conditions, you may cash in at a significant loss or lose the entire amount invested in the Company.

## What happens if the Company is unable to pay out?

As a shareholder of Eurocastle Investment Limited you would not be able to make a claim to the Financial Services Compensation Scheme (or the Dutch equivalent) about the Company in the event that the Company were unable to pay any dividends or other returns it may elect to pay from time to time, or if it were unable to pay any amounts due to you on a winding up at the end of its life. If you sell your shares on Euronext Amsterdam, your bank or stockbroker will receive cash on delivery of your shares and should pass that to you.

## 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 EUR 10 000. The figures are estimates and may change in the future.

The Company is required to include the information above and below without any changes. The law was drafted for investments which pay returns directly to investors, not those for which a return is expected to be delivered by the investor selling shares on a market. The performance scenarios above are shown based on share price returns together with returns for dividends or other distributions. They are entirely independent of the costs shown below, all of which are borne by the Company and have no direct impact on investment performance of the Company's shares.

If you sell your shares, you would pay your bank's or stockbrokers' dealing charges and be selling at the then available market offer price. That is likely to be lower than the bid price at which others could buy shares at that time. Share prices in the media are typically the mid-price, being halfway between the offer price and the bid price.

### 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 EUR 10,000)*

	If you cash in after 1 year	If you cash in after 2 years	If you cash in after 3 years (recommended)
<b>Total Costs</b>	<b>€800</b>	<b>€1,595</b>	<b>€2,383</b>
<b>Impact on return (RIY) per year</b>	8.00%	8.00%	8.00%

### Composition of costs

The table below shows (i) the impact of the different types of costs on the investment return you might get at the end of the recommended holding period, and (ii) the meaning of the different cost categories.

This table shows the impact on return per year			
<b>One-off costs*</b>	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
<b>Ongoing costs</b>	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	6.06%	The impact of the costs that we take each year for managing your investments.
<b>Incidental costs</b>	Performance fees	0.00%	The impact of the performance fee.
	Carried interests	1.94%	The impact of carried interests.

\*The daily bid-offer spread for the Company's shares has a median of 1.45% over the five year period ending 14 December 2022, this equates to an indirect entry and exit cost of 0.73% per share, for mid-bid and mid-offer spreads.

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

### Recommended Holding Period: 3 years

The Company is designed to be a medium to long term investment and the returns can be volatile during its life.

The recommended holding period is 3 years to take into account the Company's expectation that it will realise the majority of its existing assets by the end of 2023 and any subsequent distributions from reserves.

As the Company's shares are listed on Euronext Amsterdam, you can expect to sell them at any time through your bank or stockbroker.

## How can I complain?

If you choose to invest in the Company and subsequently have a complaint about it, you may lodge your complaint:

- via our website [www.eurocastleinv.com](http://www.eurocastleinv.com)
- in writing to [investorrelations@eurocastle.com](mailto:investorrelations@eurocastle.com).
- by post to Eurocastle Investment Limited, Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 2NP.

## Other relevant information

The Company reminds prospective investors that past performance is not necessarily indicative of future results, and that this Key Information Document should be considered alongside the material published by the Company on [www.eurocastleinv.com](http://www.eurocastleinv.com). Specifically, projections based on historical data are of limited relevance given the proposal approved by the Company's shareholders on 2 December 2019 to realise the majority of the Company's assets along with the Relaunch of the Company's investment activity announced on 8 July 2022.

The Company's Distribution Policy, including the regular quarterly dividend, has not applied with effect from Q3 2019.

Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and Stamp Duty. Your adviser or distributor will provide you with additional documents where necessary.

We are required to provide you with further documentation, such as the Company's latest prospectus, annual and semi-annual reports. These documents and other information relating to the Company are available online at [www.eurocastleinv.com](http://www.eurocastleinv.com).