

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

Senior Direct Lending, a sub-fund of Capital Four Private Debt III Fund

SA SICAV-RAIF

Class B - EUR

ISIN: LU2369574624

Accurate as of: 27/09/2021

Capital Four AIFM A/S

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Capital Four AIFM A/S is authorised in Denmark and regulated by the Danish Financial supervisory authorities.

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

What is this product?

Type

This product is an investment fund.

The Fund is a public limited liability company ("société anonyme"; "S. A.") incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital ("société d'investissement à capital variable", "SICAV"), established as reserved alternative investment fund (fonds d'investissement alternatif réservé, "RAIF"). The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-funds.

Objectives

The investment objective of the Sub-fund is to achieve attractive income and moderate capital appreciation over the long-term targeting a three months Euribor (zero floor on Euribor) + 7% return in euro (EUR) terms.

The Sub-fund seeks to achieve its investment objective by engaging in lending (and related activities) to corporate entities in Northern European direct lending and European non-direct lending credit investments.

The Sub-fund may also invest in any form of debt and credit instruments.

The Sub-fund targets to invest in loans that have quality comparable to assets in the B to BB+ range (B2 to Ba1).

The Sub-fund may receive equity, both common and preferred, as a result of a loan workout.

Investments may also be made in cash, cash equivalents and money market instruments.

The Sub-fund does not actively pursue foreign exchange as an active return component of its investment policy but will seek to use

currency derivatives for the purposes of hedging any foreign exchange risk to the Base Currency.

The Portfolio Manager identifies and evaluates Sustainability Risks and other relevant ESG factors at multiple stages throughout the investment process and Sustainability Risks are integrated into the investment decision-making and risk-monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

Intended retail investor

This product is intended for investors who plan to stay invested for at least 8 years and are prepared to take on a high level of risk of loss to their original capital in order to get a higher potential return. The Sub-Fund is suitable for well-informed investors who are interested in achieving medium to long-term capital growth.

Term

The Sub-fund is closed-ended and unilateral redemption requests at the initiative of the Shareholders in Sub-fund cannot be accepted.

The Sub-Fund's duration is the sum of the Investment Period and the term period and is eight (8) years. The investment period of the Sub-fund will commence at the beginning of the Initial Offering Period and will end three (3) years after or on any earlier date as may be determined by the Board. The Term Period will commence from the end of the Investment Period of the Sub-fund and will end (5) years later.

The Investment Period may be extended, subject to Board approval, for a period of up to one (1) year. The Term Period may be extended for up to three (3) periods of up to one (1) year each with the consent of the General Meeting of the Shareholders.

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

Risks



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.

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 are very likely to impact the capacity of Capital Four AIFM A/S to pay you.

Beside the risks included in the risk indicator, other risks may affect the fund performance. Please refer to the Offering Document, available free of charge upon request at the registered office of the Product

Manufacturer, Capital Four AIFM A/S, Per Henrik Lings Allé 2, 8th floor
2100 Copenhagen Ø, Denmark.

Performance scenarios

Investment € 10,000		8 years (Recommended Holding Period)
Scenarios		
Unfavourable Scenario	What you might get back after costs Average return each year	€ 13,436.44 3.76%
Moderate Scenario	What you might get back after costs Average return each year	€ 16,114.11 6.15%
Favourable Scenario	What you might get back after costs Average return each year	€ 16,736.48 6.65%

This table shows the money you could get back over the next 8 years, under different scenarios, assuming that you invest 10000 EUR.

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. The resulting

amount of capital will vary depending on how markets perform and on the holding period. Past performance is not a reliable indicator for future results.

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 Capital Four Private Debt III Fund SA SICAV-RAIF is unable to pay out?

If the fund is not able to pay you out what the Fund owes you, you are not covered by any national compensation scheme. However, the assets of the sub-fund are segregated by law from the assets of other sub-funds of the fund. Also, to protect you, the assets are held with a separate company, a depository, Brown Brothers Harriman (Luxembourg) SCA. Should the fund default, the depository would liquidate the investments and distribute the proceeds to the investors. In the worst case, however, you could lose your entire investment.

What are the costs?

Costs over time

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 10000 EUR. The figures are estimates and may change in the future.

Investment € 10,000	if you cash in after 8 years (Recommended Holding Period)
Total Costs	€ 1,256.59
Impact on Return (RIY) per year	1.26%

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.

Composition of costs

The table shows how 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 and the meaning of the different cost categories.

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 at the Recommended Holding Period.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.93%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.33%	The impact of the performance fee. We take 15% from your investment performance (7.5% catch-up and 7.5% carried interest) only after you get preferred return equal to three months Euribor (zero floor on Euribor) plus 4% per annum on all unreturned Commitments.

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

Recommended holding period: 8 years

This Duration covers the expected investment and harvesting (term) periods for the Sub-fund's Investments. Given that this product is designed for longer term investments you should be prepared to stay invested for at least 8 years, until the end of the recommended holding period.

As the Sub-fund is closed-ended, unilateral redemption requests at the initiative of the Shareholders in the Sub-fund cannot be accepted.

How can I complain?

Should you wish to complain, you may contact the fund's management company at Waystone Management Company (Lux) S.A. to the attention of the Complaints Handling Officer 19, rue de Bitbourg L - 1273 Luxembourg or by email complaintslux@waystone.com.

Should you have a complaint about the person that advised you about this product, or who sold it to you, they will tell you where to complain.

Other relevant information

Additional information, documents, including the Issue Document, semi-annual reports, annual reports, the articles of incorporation (which are made available based on legal requirements) and the subscription agreement are available upon request at the registered office of the fund. These documents are available free of charge in English.

We also review and republish this Key Information Document at least each year. You can find the latest version on the website of the product manufacturer <https://capital-four.com/>.

Capital Four Private Debt III Fund SA SICAV-RAIF is a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital. Its registered office is at 2, Rue d'Alsace, L-1122 Luxembourg.